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UNITED STATES BANKRUPTCY COURT

FOR THE DISTRICT OF COLORADO

IN RE: NORTH LILY MINING COMPANY, INC., a Utah corporation, EIN: 87-0159350 Debtor.	Case No. 01-23068-EEB Chapter 11
IN RE: XERES TINTIC, LLC EIN: 84-1528808 Debtor.	Bankruptcy No. 01-23069-EEB Chapter 11 **Jointly Administered Under** **Bankruptcy No. 01-23068-EEB** **Chapter 11**

NOTICE OF FILING OF FIRST AMENDED JOINT DISCLOSURE STATEMENT TO ACCOMPANY FIRST AMENDED PLAN OF REORGANIZATION DATED JANUARY 4, 2002

The Debtors, North Lily Mining Company, Inc. and Xeres Tintic, LLC, by and through their attorneys, Kutner Miller Kearns, P.C., herewith submits the filing of their First Amended Joint Disclosure Statement to Accompany First Amended Plan of Reorganization dated January 4, 2002, a copy of which is attached hereto as Exhibit A.

Dated: April 4, 2002.

Respectfully submitted,

By: ______________________________

Lee M. Kutner, #10966
Jenny M.F. Fujii, #30091

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CERTIFICATE OF MAILING

I do hereby certify that on this 4th day of April, 2002, a true and correct copy of the foregoing **NOTICE OF FILING OF FIRST AMENDED JOINT DISCLOSURE STATEMENT TO ACCOMPANY FIRST AMENDED PLAN OF REORGANIZATION DATED JANUARY 4, 2002 AND PLAN OF REORGANIZATION DATED JANUARY 4, 2002** was deposited in the United States mail, postage prepaid, addressed to the following:

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Aimee Marks
____

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF COLORADO

IN RE:	)	
	)	Bankruptcy No. 01-23068-EEB
NORTH LILY MINING COMPANY, INC.,	)	
a Utah corporation,	)	Chapter 11
EIN: 87-0159350	)	
	)	
Debtor.	)	
	)	
	)	
IN RE:	)	
	)	Bankruptcy No. 01-23069-EEB
XERES TINTIC, LLC,	)	Chapter 11
EIN: 84-1528808	)	
	)	**Jointly Administered Under**
Debtor.	)	**Bankruptcy No. 01-23068-EEB**
	)	**Chapter 11**

FIRST AMENDED JOINT DISCLOSURE STATEMENT TO ACCOMPANY FIRST AMENDED PLAN OF REORGANIZATION DATED JANUARY 4, 2002

INTRODUCTION

This Disclosure Statement has been prepared by North Lily Mining Company, Inc. ("North Lily") and Xeres Tintic, LLC ("Xeres")(collectively referred to as "Company" or "Debtors"). The North Lily and Xeres cases are being jointly administered by the Bankruptcy Court. Joint administration means that for administrative purposes certain hearings affecting both cases are held together and the pleadings in both cases bear a joint caption. While the cases are jointly administered, they are not substantively consolidated and the assets and liabilities of each company are treated separately. This Disclosure Statement accompanies the Debtors' First Amended Plan of Reorganization dated January 4, 2002 ("Plan") which has been filed in the Debtors' Chapter 11 case. This Disclosure Statement is being provided to all creditors and interest holders of the Debtors'. This Disclosure Statement is subject to final approval pursuant to 11 U.S.C. Section 1125 by the United States Bankruptcy Court for the District of Colorado as containing adequate information to enable creditors and interest holders to determine whether to accept the Debtors' Plan. The Court's approval of this Disclosure Statement does not constitute a decision on the merits of the

Debtors' Plan. Issues related to the merits of the Plan and its confirmation will be the subject of a confirmation hearing which is scheduled for ________________, **2002 at __:__ a.m. in Courtroom F, United States Bankruptcy Court, U.S. Customs House, 721 - 19th Street, Denver, Colorado.**

THIS DISCLOSURE STATEMENT HAS BEEN NEITHER APPROVED NOR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION. THE COMMISSION HAS SIMILARLY NOT REVIEWED THE ACCURACY OR ADEQUACY OF THIS DISCLOSURE STATEMENT.

This Disclosure Statement is provided to you along with a copy of the Debtors' Plan and a Ballot to be used for voting on the Plan. Please complete the Ballot according to the instructions contained on the Ballot if you intend to vote for or against the Debtors' Plan. Each creditor or interest holder may vote on the Plan by completing the enclosed Ballot and returning it to counsel for the Debtors:

Lee M. Kutner, Esq.
Kutner Miller Kearns, P.C.
303 East 17th Avenue
Suite 500
Denver, CO 80203

This Ballot must be received by Kutner Miller Kearns, P.C. no later than ___, **2002**, which date has been set by the Court as the last day to vote on the Plan. Terms contained in this Disclosure Statement, which are defined in the Plan, have the same meaning as set forth in the definition section of the Plan, Article II.

CHAPTER 11 AND PLAN CONFIRMATION

Chapter 11 of the United States Bankruptcy Code is designed to allow for the rehabilitation and reorganization of financially troubled entities or individuals. Chapter 11 allows the Debtor to retain its assets during administration of its Chapter 11 case as a Debtor-in-Possession and following confirmation of a Plan as a reorganized Debtor or as provided in the Plan. Once confirmation of a Plan of Reorganization is approved by the Court, the Plan of Reorganization is the permanent restructuring of the Debtor's financial obligations. The Plan also provides a means through which the Debtor will restructure or repay their obligations. The Plan will provide the Debtors with an opportunity to remain in business and satisfy their debts as restructured under the Plan. Funding for the Plan will be derived from an Agreement with The Standard Group ("TSG"). This agreement provides TSG a nine month option to purchase all or part of the Debtors' real property and/or to lend funds to North Lily secured by such property. In the event that TSG does not exercise sufficient options to allow the Debtors to pay off all secured and unsecured debt to the extent provided in this Plan, following expiration of the option, the Debtors will either sell or refinance the remaining real property to the extent necessary to satisfy their obligations under the Plan.

The Plan divides creditors into classes of similarly situated creditors. All creditors of the same class are treated in a similar fashion. All stock interests are also classified and treated alike. Each class of creditors or interest holders is either impaired or unimpaired under the Plan. A class is unimpaired if the Plan leaves unaltered the legal, equitable and contractual rights to which each creditor in the class is entitled. Alternatively, a claimant is unimpaired if the Plan provides for the cure of a default and reinstatement of the maturity date of the claim as it existed prior to the default.

The Bankruptcy Court entered an Order setting a bar date for filing Proofs of Claim as ____________, 2002. The Plan provides that claims and interests of all classes shall be allowed only if evidenced by a timely filed Proof of Claim or Interest or which otherwise appear in the Schedules filed by the Debtors and are not scheduled as disputed, contingent or unliquidated unless subsequently allowed by the Court. Creditors may check as to whether or not their claims have been scheduled as disputed, contingent or unliquidated by reviewing the Schedules filed by the Debtors in the Bankruptcy Court for the District of Colorado. Alternatively, creditors may contact counsel for the Debtors or Debtors directly in order to determine how they have been scheduled.

Chapter 11 does not require that each holder of a claim against or interest in the Debtors vote in favor of the Plan in order for the Court to confirm the Plan. The Plan, however, must be accepted by at least one impaired class of claims by a majority in number and two thirds in amount, without including insider acceptance, of those claims of such class actually voting on the Plan. Assuming one impaired class votes to accept the Plan, it may be confirmed over its rejection by other classes if the Court finds that the

Plan does not discriminate unfairly and is fair and equitable, with respect to each class of claims or interests that is impaired under and has not accepted the Plan.

The Bankruptcy Code requires that if interest holders retain an interest or receive anything under the Plan, then the unsecured creditor classes must either be paid the full value of their claims or vote to accept the Plan. Under the Debtors Plan, Xeres interest holders, Class X6, are unimpaired by the plan. North Lily interest holders, Class NL8, are impaired by the plan. On the Effective Date of the Plan, the outstanding shares of stock held by each NL8 shareholder of record shall be reduced by 90%. The result will be a 10 for 1 reverse split of North Lily's outstanding shares of common stock. In the event that the reverse split results in a shareholder who would own less than 100 shares, an odd lot, the shareholder will have the right to purchase additional shares at a price determined by North Lily on the Confirmation Date, sufficient to provide the shareholder with 100 shares. In the event the shareholder does not purchase additional shares, all of the shareholder's outstanding shares shall be canceled. Since interest holders retain an interest under the Plan, the unsecured creditor classes must vote to accept the Plan if it is to be confirmed. The Plan, as written, cannot be confirmed if the unsecured creditor classes vote to reject the Plan. Since the Plan provides for a significant payment to be made to unsecured creditors who would receive little or nothing on account of their claims in a liquidation, all creditors are encouraged to vote to accept the Plan.

If all classes of claims and interests vote to accept the Plan, the Court may confirm the Plan. Section 1129 of the Bankruptcy Code sets forth the requirements for confirmation. Among other things, Section 1129 requires that the Plan be in the best interest of the holders of claims and interests and be feasible through a showing that confirmation will not be followed by the need for further financial reorganization of the Debtors.

BACKGROUND AND EVENTS LEADING TO CHAPTER 11 FILING

Xeres Background

Xeres is a Colorado limited liability company. Xeres was established in 1998 by North Lily as a holding company for certain real property in Utah. North Lily owns 91.5% of the Xeres stock. Redshore

Properties, Inc. holds 7.4% of the Xeres stock.[1] North Lily has an entitlement to 96.5% of the Xeres cash flow and is effectively a 96.5% shareholder. Xeres has no other business activity other than its current holdings of two parcels of real property, more specifically described below. Xeres is dependent upon North Lily for management and other financial transactions. Stephen E. Flechner, President and a Director of North Lily, and W. Gene Webb, Executive Vice President and a Director of North Lily, are managers of Xeres through an operating agreement.

North Lily Background

North Lily was incorporated in Utah in 1916 and has been a publicly held corporation since the 1920's. North Lily was a subsidiary of Anaconda Company from 1925 until 1983. Between 1925 to 1949, North Lily produced gold, silver, lead, zinc and copper from the North Lily Mine in the Tintic Mining District, Utah. In 1991, in conjunction with International Mahogany, North Lily acquired the Tuina copper property in Chile. From 1991 until 1998, North Lily jointly developed the Tuina copper project which was abandoned in 1998 as uneconomic. At Silver City, Utah, in conjunction with Mahogany, North Lily also operated a small heap leach tailing reprocessing project, which produced approximately 33,000 ounces of gold and gold equivalent beginning in 1988, and is now in the final reclamation and closure stages.

North Lily currently maintains its principal offices at 1800 Glenarm Place, Suite 210, Denver, Colorado. Stephen E. Flechner, President and a Director of North Lily, holds 7.5% interest in the North Lily stock. W. Gene Webb, Executive Vice President and a Director of North Lily, holds an 8.1% interest in the North Lily stock. Theodore Loud, a secured creditor of North Lily, is also a Director of North Lily with a .17% interest in the North Lily stock.

Up until March 2000, North Lily was primarily engaged in mineral exploration and in the gold and copper mining business. North Lily no longer actively participates in these industries. North Lily's current business consists of ownership, reclamation and development activities related to its substantial real

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[1] The remainder of the Xeres interest is held by a third party. This interest is contingent on the Xeres real property net proceeds exceeding $12.5 million. The Debtors do not expect the net proceeds of the Xeres real property to exceed $12.5 million in the near future.

property holdings in the State of Utah. The following depicts North Lily's various non-mining business ventures.

North Lily's Post-Mining Activities

On April 7, 2000, North Lily acquired its wholly-owned subsidiary, Loanmining.com, a mortgage loan business, by issuing shares of North Lily restricted common stock. In consideration for these shares, North Lily acquired the rights to the following: (1) the names Loanmining.com Inc. and Home Loan.com; (2) rights to a team of mortgage brokers, telemarketers, processing and closing staff; and (3) rights to the Loanmining.com, Inc. Internet website business plan.

In conjunction with the Loanmining.com acquisition, North Lily closed on a private placement financing of $245,000 in exchange for 7 percent convertible notes and warrants. The notes were due in periods of six to nine months from the date of issuance and repayable or convertible, at the option of the holder, into shares of North Lily common stock at $0.20 per share (except for $25,000 at $0.50 per share). Warrants for the purchase of an aggregate 1,400,000 shares were issued as part of the sale of the notes and were exercisable at $5.00 and $7.50 per share during years one and two, respectively, from date of issue, and expire at various dates from February 2002 to April 2002. North Lily utilized $63,000 of the proceeds to finance stock redemption and releases from stockholders of Loanmining.com, Inc. who dissented to the acquisition. Warrant prices were reduced to $2.00 per share if exercised by April 30, 2001. The majority of the Notes were converted at $.20 per share.

On April 15, 2000, North Lily and Loanmining.com, entered into a management consulting agreement with Pinnacle Performance Fund, Inc. under which Pinnacle was engaged to perform certain corporate planning, business development, and financial strategy services for a term of three years. In exchange for these services, North Lily agreed to issue Pinnacle an aggregate of one million shares, all with "piggy back" or S-8 registration rights. All of these shares were issued but there was a failure of full performance by Pinnacle.

In April 2000, North Lily acquired 100 percent of the membership interests in Mortgage Partners Home Funding, LLC for Loanmining.com in consideration of 170,000 shares of North Lily restricted common stock and $25,000 in promissory notes. The notes are past due, and North Lily agreed to conversion of the notes into common stock. On May 1, 2000, North Lily completed a private placement of 130,000 common shares of the North Lily stock for $40,000. In June 2000, North Lily issued one million shares of stock in consideration for a joint venture providing commercial lending business and facilitation arrangements for Loanmining.com and $125,000 in capital. The transaction was not consummated and North Lily sought return of the shares.

On July 25, 2000, North Lily entered into a letter of intent to be acquired by Captain's Management, Inc. for ten shares of Captain's for every 14.5 of North Lily shares when Captain's is registered and trading on a stock exchange. Captain's agreed to provide North Lily with over $400,000. North Lily agreed to pledge a portion of the Utah properties to secure related financing to be obtained by Captain's. In addition, Captain's was to provide website development and marketing for Loanmining.com at Captain's expense. This transaction never took place.

During January and February 2001, North Lily entered into consulting agreements with several parties for e-mail services, direct marketing, broker relations, investor relations, and publishing services. In addition, North Lily entered into corporate development agreements for management consulting concerning debt restructuring and development of financial paper and credit card business. The aggregate of these agreements involved issuances of one million restricted shares and 1.3 million shares issued pursuant to North Lily's registration statement on Form S-8. North Lily did not receive the expected services pursuant to the agreements related to the stock issuances.

This acquisition and diversification into the mortgage loan business created losses which, in part, contributed to North Lily's financial problems. The Loanmining.com business increased North Lily's expenses without similarly increasing its revenues. North Lily was not able to successfully compete in this area due to competitors with more online experience, greater brand recognition, and much more capital than that of North Lily.

In August 1994, a former corporate officer, George Holcomb filed a complaint against North Lily in the Superior Court for the County of Maricopa, Arizona. Mr. Holcomb sought vacation pay, which was not paid to him when his employment with North Lily terminated, together with interest, treble damages, costs, and attorney fees. In June 1996, North Lily agreed to an initial payment of $15,000 and a final payment of $80,000. North Lily and Mahogany were paying the cost of this settlement on a 50:50 basis. During 1996, an initial payment of $15,000 was made. In 1999, North Lily received a cash payment from Mahogany, assumed full responsibility for the Holcomb settlement and the Tintic Project reclamation, paid Mr. Holcomb in full, and received Mr. Holcomb's release of his rights against North Lily.

In late 1998, a complaint was filed against North Lily in the Fourth District Court, Juab County, State of Utah, alleging breach of a special warranty deed, breach of a terminated mining lease, and later attacking the validity of North Lily's royalty and land development interests retained in properties which had been sold to the plaintiffs by North Lily. North Lily vigorously defended the allegations. Pursuant to a Stipulated Settlement Agreement, Release And Order For Dismissal the complaint was dismissed. The agreement provides that North Lily will retain a one percent royalty on all the lands acquired by the plaintiffs.

Due to prior mining activities and especially due to ownership of properties on which mining occurred, North Lily has been required by Utah state environmental authorities to engage in environmental reclamation. In addition, North Lily has recently been required by the U.S. Environmental Protection Agency to provide substantial historic information concerning historic activities which occurred on properties previously owned by Anaconda and later merged into North Lily by Anaconda. North Lily will continue to comply with state and federal environmental requirements.

North Lily was previously listed on the NASDAQ and Small Cap market and then on the OTC bulletin board but was delisted and now trades in the Pink Sheets due to a failure to meet SEC filing requirements. This delisting negatively impacted the market for the North Lily securities which made raising capital on the so-called "pink sheet" trading markets more difficult. North Lily seeks to utilize funds from land sales and related financing to complete its audits and SEC filings so that it can resume trading on the OTC Bulletin Board.

Final Events Leading to Chapter 11 Filing

In January 2001, North Lily loaned an aggregate of $75,000 to Captains Management Group in anticipation of a proposed merger with Captains Management and Riverdale, LLC. Also in January, 2001, North Lily invested $43,500 in Riverdale in exchange for accounts receivable to be worth at least $60,000 in cash. The mergers failed and the funds advanced in anticipation of the merger were not recovered. As a result, North Lily's capital was depleted.

The final and precipitating factor leading to the bankruptcy was the Debtors' inability to make a loan payment of $49,000 due in August, 2001 to Old West. The Debtors entered into a Note and Security Agreement with Old West in the amount of $505,000 on December 29, 2000. This Note is secured by Xeres real property, and co-signed by North Lily in an unsecured capacity. Old West threatened to accelerate the Note if the Debtors did not cure its default by September 10, 2001. The Debtors could not meet this debt obligation.

North Lily and Xeres filed separate voluntary petitions for relief under Chapter 11 of the Bankruptcy Code on September 6, 2001.

DESCRIPTION OF ASSETS

The Debtors' assets consist of real and personal property associated with its business operations.

I. Real Property

Both North Lily and Xeres own real property located in the state of Utah. The Debtors' ownership interests consist of patented mining claims and fee lands. The patent procedure permits parties to purchase fee title to property from the Federal government. The inherent insecurities in title to unparented mining claims are remedied by achievement of a patented mining claim. The patent conveys exclusive rights to all the surface of the mining claim. Unless limited, a patent also conveys full ownership of surface resources in addition to underground resources (including water). A patent is the evidence of the decision of the United States government to relinquish all of its ownership rights to certain land to the patent recipient.

A. North Lily

The North Lily Property consists of a combination of Property held in fee ownership and patented mining claims. The total amount of acreage owned by North Lily is approximately 5,090 acres, comprised of nine distinct parcels. North Lily estimated the fair market value of the North Lily acreage is at least

$721,000. In addition to various tax claims specified below, the North Lily property is encumbered as follows:

1. Avalanche Funding, LLC, also referred to as The Standard Group ("Avalanche"), holds a secured claim in the aggregate amount of $168,053.54 secured by all Property owned by both North Lily and Xeres[2];
2. JBR Environmental Consultants, Inc. holds a claim of approximately $66,944 secured by approximately 800 acres of real Property owned by North Lily;
3. Karen R. Prior holds a claim of approximately $37,000 secured by approximately 800 acres of real Property owned by North Lily; and
4. Theodore Loud holds a claim of approximately $15,000 secured by approximately 210 acres of real Property owned by North Lily.

B. Xeres

Xeres owns two parcels of real property with a total value of at least $1,001,600. The Xeres Property generally consists of two parcels, the first parcel contains 1,680 acres with a value of at least $873,600 and the second parcel contains approximately 640 acres with a value of at least $128,000.

The Xeres real property is encumbered by a secured loan made to both Xeres and North Lily by Old West. The total amount due under the Old West Note is approximately $553,000. The Old West loan encumbers all of the Xeres property and is in the first lien position. The Xeres real property is also encumbered by a U.S. Bank, N.A. loan in the amount of $102,000. The claim of U.S. Bank, N.A. is secured by all of the Xeres property, and is in a second lien position behind Old West.

The chart below is a summary of the North Lily and Xeres real properties and their respective encumbrances according to parcel designation.

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[2] Avalanche Funding holds a secured claim in the aggregate amount of $168,053.54, which is evidenced by an Amended and Restated Promissory Note dated March 20, 2002 as approved by the Court. See detailed explanation below in "Events During Chapter 11 Case" describing the Avalanche claim and explaining that the actual amount owed is $155,555.59 assuming the absence of prepayment penalties.

	Paymaster	**Southern 640**	**Middle Patch**	**Elberta**	**Eureka**
Owner	North Lily	Xeres	North Lily	Xeres	North Lily
Acres	800	640	640	1680	210
Interest	PMC	Fee	PMC	Fee	Fee
1st lien	Karen Prior $37,000	Old West $553,000		Old West $553,000	Ted Loud $15,000
2nd lien	JBR Environ. $66,944	US Bank $105,000		US Bank $105,000	
3rd lien					
scheduled value	$168,000	$128,000	$80,000	$873,600	$63,000

	Silver City	**Homansville**	**Mammath**	**Red Cross**	**Southern Patch**	**Northern Patch**
Owner	North Lily	North Lily	North Lily	North Lily	North Lily	North Lily
Acres	100	700	640	1520	320	160
Interest	Fee	PMC	PMC	PMC	PMC	PMC
1st Lien						
2nd Lien						
3rd Lien						
Scheduled Value	$30,000	$87,500	$42,500[3]	$190,000	$40,000	$20,000

[3] This value was filed with North Lily's original schedules and is below the agreed option price with The Standard Group as well as the current market price.

The "Scheduled Values" were estimated net amounts that the Company would receive after related closing costs. The Company, its real estate broker, and The Standard Group are confident that sale prices of the real property will meet the Debtors' projections set forth below, with a good possibility of exceeding them. This confidence is based upon the ongoing marketing and advertising, as well as the flexible sizing and packaging of the parcels to fit prospective buyers' needs. A sample of certain buyers are farmers, hunters, horse owners, and those looking for land to build a summer home. A more detailed explanation of the Debtors' projections and related assumptions are set forth in Exhibit B and its attachments.

II. Personal Property

A. North Lily

North Lily scheduled two bank accounts with a deposit of $35,000[4] in one account, and a deposit of $96 in the other as of September 6, 2001. North Lily scheduled a certificate of deposit in the amount of $32,500 as a surety bond to the State of Utah for its environmental reclamation project. North Lily scheduled a lease deposit in the amount of $1,500 related to its office space. North Lily scheduled a 96.5% interest in Xeres with a value of $352,100. North Lily scheduled an investment in accounts receivable of Riverdale, LLC, et. al. in an unknown amount. North Lily scheduled a Note receivable secured by Deed of Trust due October 22, 2001 with a value of $14,300.[3] This Note was paid on its due date and is reflected in North Lily's monthly report which has been filed with the Court and the U.S. Trustee. North Lily schedule a Note receivable from Gene Webb dated June 29, 2001 in the amount of $2,500.[5] North Lily scheduled several contingent and unliquidated claims in unknown amounts as follows:

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[4] These funds have been consumed by the Debtors' operating expenses during the pendency of the bankruptcy case. The Debtors have also used $87,735 of cash proceeds from the Avalanche loan during the bankruptcy case to cover operating expenses.

[5] Mr. Webb also borrowed $21,000 pre-petition. North Lily disclosed in Schedule B that North Lily has "Claims for shares for advances – Webb" at item 33, as well as having an account receivable also listed on Schedule B at item 15 as "Webb – Note 6/29/20001…$2500." The "shares for advances" includes a $21,000 loan in January, 2001 as well as shares securing net advances to Webb in 1999 and 2000 reported under "Due to Officers" in North Lily's Form 10-QSB Quarterly Report to the S.E.C. for September 30, 2000.

1. Claims for repayment of loan, damages, and interest against Captain's Management, David Lott, Richard Perlman and Jimmy Jin pursuant to a $75,000 Secured Promissory Note Agreement dated January 5, 2001, payable on January 19, 2001. North Lily never received the collateral for the loan, which was an interest in Riverdale, LLC accounts receivable;

2. Claims against former subsidiary manager for failure to deposit tax and FICA withholdings;

3. Claims for breach of contract, damages and interest against Riverdale, LLC ("Riverdale"), Telecontrol Systems, Inc. ("Telecontrol"), Richard Perlman, Mr. Sheldon, and Mr. Neuman pursuant to a $43,000 investment for an assignment of $60,000 in unencumbered Riverdale accounts receivable dated January 18, 2001. The accounts receivable were never fully assigned to North Lily. Riverdale filed for protection under Chapter 11 of the Bankruptcy Code in the Central District of California thereafter. North Lily anticipates filing a proof of claim in the Telecontrol bankruptcy case and is considering filing separate claims against Riverdale and related individuals;

4. Claims against Jane Blond Productions, Inc., Meg Elstner and Richard Perlman for failure of consideration, failure of performance, and for recoupment of 500,000 North Lily shares. The shares were issued pursuant to a Consulting Agreement related to corporate planning and debt restructuring which were not timely performed;

5. Claim against Keystone Surveys, et. al. for cloud on the title of Paymaster mining claims and for failure to convey water rights; and

6. Claim for shares for advances to Webb.

The $21,000 loan to Webb in January, 2001 was secured by Webb's certificates for 205,000 North Lily shares. The loan was due on February 28, 2001 and in March, 2001 North Lily (and Webb) allowed a third party to take possession of the shares (based on certain representations, for the breach of which, North Lily and Webb have claims against said third party for North Lily's $21,000 plus damages and for Webb's lost profits, respectively). That transfer of the share certificates ended North Lily's claim on Webb for the $21,000 loan.

The other Webb "shares for advances" and the $2500 note are intended to be exchanged by North Lily's Board in further consideration of Webb's periods of non-compensation and on-going efforts to update auditing of the Company's financial statements and information to prepare the Company's tax returns.

In addition, the following claims were not specifically scheduled. North Lily may have claims against Beverly Hills Consulting, Inc., Richard Perlman and William Ferrante for failure of consideration and for recoupment of 400,000 shares of North Lily stock. The shares were issued pursuant to a Consulting Agreement dated January 31, 2001 for credit card business development services which were not timely performed.

North Lily may have claims for failure of consideration, damages and recoupment of 1,000,000 shares of North Lily restricted common stock against BCD USA, BCD Group, Inc., Richard Perlman and Franklin Capital Corporation. The shares were issued in June 2000 pursuant to a Joint Venture commercial lending arrangement, and a $125,000 payment. North Lily instructed the transfer agent not to process any further transfer of shares, the Joint Venture Agreement was never executed, the $125,000 was stopped against North Lily, and the 1,000,000 shares were never returned to North Lily.

North Lily may also have claims against J and S Consulting, Richard Perlman, and Howard Haber for failure of consideration and for recoupment of 400,000 shares of North Lily stock. The shares were issued pursuant to a Consulting Agreement dated January 31, 2001 for commercial paper business development services which were not timely performed.

North Lily may also have claims against Stockbroker Relations of Colorado for failure of consideration and for recoupment of 200,000 shares of Rule 144 restricted stock. The shares were issued pursuant to an agreement for stockbroker relations services which were not performed.

North Lily may also have claims against Apple Consulting USA, Inc. for failure of consideration and recoupment of 200,000 shares of Rule 144 restricted stock. The shares were issued pursuant to an agreement for marketing services which were not performed.

North Lily may also have claims against CLD Investor Relations, Inc. for failure of consideration and for recoupment of 200,000 shares of Rule 144 restricted stock. The shares were issued pursuant to an agreement for investor relations services which were not performed.

North Lily may also have claims against James Stockwell Corporation for failure of consideration and for recoupment of 200,000 shares of Rule 144 restricted stock. The shares were issued pursuant to an agreement for Internet and e-mail services which were not performed.

North Lily may also have claims against Grant Douglas Publishing for failure of performance of publishing services pursuant to an agreement dated January 2001. North Lily may seek recoupment of 200,000 shares of Rule 144 restricted stock which were issued in consideration for publishing services.

North Lily may have further claims against Richard Perlman and/or other entities/individuals for various other matters currently being reviewed by litigation counsel.

In addition to the above referenced claims, North Lily scheduled four computers, desks and miscellaneous office equipment with a value of $1,000. North Lily scheduled miscellaneous supplies with a value of $200.

1. Xeres

Xeres does not own and did not schedule any significant personal property.

DESCRIPTION OF LIABILITIES

I. PRIORITY CLAIMS

Claims of the type specified in 11 U.S.C. § 507(a)(1) of the Code, including costs and expenses of administration, have been incurred and will be paid in full on the Effective Date of the Plan. These costs include the professional fees incurred during the case which remain unpaid. North Lily provided Kutner Miller Kearns, P.C. with a retainer in the amount of $14,707 for post-petition services. The Debtors estimate that the total legal fees and costs as of the estimated date on which the Plan will become effective, August 1, 2002 will be $50,000. This amount will be due in addition to $14,707 which will be paid with the retainer.

North Lily is engaging Wheeler Wassoff, P.C. ("Wheeler Wassoff") to perform bookkeeping services. Wheeler Wassoff is not hired as a professional and will not receive a retainer. To date, North Lily has not paid Wheeler Wasoff for post-petition services, and expects that the total bookkeeping fees as of the estimated Plan confirmation date will be approximately $15,000.

North Lily engaged Hein & Associates to perform an audit of financial records. Hein & Associates is to receive a retainer in the amount of $6,000. To date, North Lily has not paid Hein & Associates for post-petition services, and expects that the total accounting fees as of the estimated Plan confirmation date will be approximately $18,000. This amount will be due in addition to $6,000 which will be paid with the retainer.

North Lily engaged Patton Boggs as general counsel to perform securities work. To date, North Lily has paid Patton Boggs $346.94 for post-petition services, and expects that the total fees as of the estimated Plan confirmation date will be approximately $5,000.

North Lily continued to engage the services of JBR Environmental to perform certain environmental reclamation and EPA response work. To date, North Lily has paid JBR Environmental $5,800[6] for post-petition services, but expects that the total fees for reclamation monitoring services as of the estimated Plan confirmation date will be paid by the reclamation surety bond assigned to JBR Environmental. The bond assignment is more fully explained below.

North Lily has scheduled, and/or the creditors have filed, a number of pre-petition priority claims including a debt of $1,676 to the Colorado Department of Revenue for withholding taxes due as a result of the Loanmining.com business, a debt of $25,846.09 to the Internal Revenue Service ("IRS") for 2000 withholding taxes, a debt of $26,402.12 to the IRS for 1999-2001 withholding taxes, and $2,645.05 to the Utah State Tax Commission for 2000-2001 withholding taxes.

North Lily has two priority unsecured insider wage claimants. The first claim is for Stephen E. Flechner, an insider and Chief Executive Officer, and the second claim is for W. Gene Webb, an insider and Executive Vice President and Secretary. Each of these priority debts is $4,300.

Xeres did not schedule any pre-petition priority claims.

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[6] North Lily forwarded JBR Environmental $4,300 to cover costs of revegetation required by the state of Utah. The $4,300 will be reimbursed to North Lily out of the reclamation bond now assigned to JBR Environmental. North Lily paid $1,500 to JBR for research services required by the EPA.

II. SECURED CLAIMS

A. NORTH LILY SECURED CLAIMS

1. Avalanche Funding, Inc. ("Avalanche") or TSG

Avalanche Funding holds a secured claim in the aggregate amount of $168,053.54, which is evidenced, by an Amended and Restated Promissory Note dated March 20, 2002. See detailed explanation below in "Events During Chapter 11 Case" describing the Avalanche claim and explaining that the actual amount owed is $155,555.59 assuming the absence of prepayment penalties. The amount of the claim is the amount of the aggregate of the pre-petition loan to Debtors plus the post-petition loans to Debtors, including Anticipated Lendings (for title and environmental related expenditures contemplated in the Initial Loan provisions of the LOA) and Original Issue Discount (which is the lender's gross-up of the face amount of the note in the event of prepayment penalties). The Avalanche claim is secured by liens on all North Lily and Xeres real property. See discussion in the "Events During Chapter 11 Case" section below regarding the Avalanche claim. Assuming the Debtors and Avalanche successfully pursue their plan for marketing and liquidating the Debtors' real property, this claim is fully secured. The estimated amount of this claim as of the Plan's effective date is $155,033.

2. JBR Environmental Consultants, Inc. ("JBR Environmental")

North Lily has been required to complete reclamation work at one property. This work began pre-petition and has continued post-petition. JBR Environmental was engaged to do this work. North Lily paid JBR Environmental through executing a Promissory Note in the amount of $66,944 which is secured by a Deed of Trust recorded August 24, 2001 in favor of JBR Environmental. JBR Environmental is secured by North Lily's patented mining claims on 800 acres of real property labeled "Paymaster." JBR Environmental holds an equal position to Ms. Prior's interests in this parcel, which parcel is valued at $168,000. JBR Environmental and Ms. Prior's liens would share foreclosure on sale proceeds equally until pay off of Ms. Prior's lien. The estimated amount of this claim as of the Plan's effective date is $71,954.

Assuming the Debtors and Avalanche successfully pursue their plan for marketing and liquidating the Debtors' real property, this claim is fully secured.

3. Juab County Treasurer

The Juab County Treasurer holds a secured claim in the amount of $9,382 for pre-petition property taxes on real properties dating from 1997 to the petition date, September 6, 2001. This lien is secured by North Lily property. Assuming the Debtors and Avalanche successfully pursue their plan for marketing and liquidating the Debtors' real property, this claim is fully secured. This claim has been reduced during the course of the Chapter 11 case. The estimated amount of this claim as of the Plan's effective date is $6,952.

4. Karen R. Prior

Ms. Prior holds a secured claim in the amount of $37,000. This claim is secured by a Note and Deed of Trust dated January, 2001 with a lien on North Lily's Paymaster parcel. Ms. Prior holds an equal position to JBR Environmental's interests in this parcel, which parcel is valued at $168,000. JBR Environmental and Ms. Prior's liens would share foreclosure on sale proceeds equally until pay off of Ms. Prior's lien. The estimated amount of this claim as of the Plan's effective date is $41,463.

Assuming the Debtors and Avalanche successfully pursue their plan for marketing and liquidating the Debtors' real property, this claim is fully secured.

5. Theodore E. Loud

Mr. Loud holds a secured claim in the amount of $15,000 which is evidenced by a Note dated August 21, 2001 and an accompanying Deed of Trust dated August 22, 2001. Mr. Loud's claim is secured by a 210 acre parcel of property labeled "Eureka" valued at $63,000.

Assuming the Debtors and Avalanche successfully pursue their plan for marketing and liquidating the Debtors' real property, this claim is fully secured.

6. Utah County Treasurer

The Utah County Treasurer holds a secured claim in the amount of $24,868 for property taxes accrued between 1997 to the petition date, September 6, 2001. This lien is secured by North Lily real property. The estimated amount of this claim as of the Plan's effective date is $26,464.

B. XERES SECURED CREDITORS

1. Juab County Treasurer

The Juab County Treasurer holds a secured claim for real property taxes in the amount of $1,100. The taxes are accrued for the years 1999-2000 and are secured by Xeres property.

Assuming the Debtors and Avalanche successfully pursue their plan for marketing and liquidating 10.the Debtors' real property, this claim is fully secured.

2. Old West

Old West holds a secured claim in the amount of $505,000 which is evidenced by a Note and Deed of Trust dated December 29, 2000.[7] The contract rate of interest on this Note is 13%. Old West is secured by two parcels of Xeres real property. One parcel is labeled "Southern 640" and consists of 640 acres valued at $128,000. The second parcel is labeled "Elberta" and consists of 1,680 acres, valued at $873,600. Xeres has a fee simple interest in these parcels. Old West holds the first lien position on these parcels. North Lily is also a borrower on the Note, however, North Lily's obligation is not secured. The estimated amount of this claim as of the Plan's effective date is $619,197.

Assuming the Debtors and Avalanche successfully pursue their plan for marketing and liquidating the Debtors' real property, this claim is fully secured.

3. U.S. Bank

U.S. Bank holds a secured claim which is evidenced by a Note and Deed of Trust in the amount of approximately $102,000. In June, 2000, in relation to a proposed commercial financing joint venture agreement, a third party deposited $125,000 into the North Lily U.S. bank account, and notified North

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[7] The proceeds of the Old West Loan were received in January 2001 when the Company was still being pressured to merge with Captain's Management and/or Riverdale. The closing costs included 5% to Metwest and 5% to a broker, plus $110,000 to pay off a loan previously secured by the land, for net proceeds to North Lily of $331,554. The funds were immediately expended as follows: (1) $50,000 used for funding a portion of the Utah environmental reclamation; (2) $75,000 as a loan to Captain's Management; (3) $50,000 as payment to US Bank (on debt created by principal of Captain's), (4) $20,000 as an interest payment to the largest convertible note holders who had financed Loanmining.com; (5) $43,500 for an investment in Riverdale accounts receivable; (6) $21,000 as a loan to an officer; (7) $24,642 as advances to Loanmining.com; and (8) $18,740 for officer compensation. The net balance of $28,672 was used for North Lily operating expenses.

Lily of the transfer. North Lily, in reliance on the representation that the funds were transferred into its account, utilized the funds for the Loanmining business development projects, only to discover that stop payments were placed on the $125,000. As a result, North Lily used funds that were not available, and was required to execute a promissory note in favor of U.S. Bank, N.A., secured by a deed of trust on Debtors' real property.[8] The contract rate of interest on this Note is 10% before default, and 18% after default.[9] U.S. Bank is secured by the Southern 640 and Elberta parcels. U.S. Bank holds the second lien position on these parcels, which are valued at $128,000 and $873,600, respectively. The estimated amount of this claim as of the Plan's effective date is $108,624.

4. Utah County Treasurer

The Utah County Treasurer holds a secured claim for real property taxes on Xeres real property in the amount of $1,400. The taxes are accrued for the years 1999-2000 and are secured by Xeres property.

5. Avalanche Funding, Inc.

Avalanche Funding holds a secured claim in the aggregate amount of $168,053.54, which is evidenced by an Amended and Restated Promissory Note dated March 20, 2002. See detailed explanation below in "Events During Chapter 11 Case" describing the Avalanche claim and explaining that the actual amount owed is $155,555.59 assuming the absence of prepayment penalties. The amount of the claim is the amount of the aggregate of the pre-petition loan to Debtors plus the post-petition loans to Debtors, including Anticipated Lendings (for title and environmental related expenditures contemplated in the Initial Loan provisions of the LOA) and Original Issue Discount (which is the lender's gross-up of the face amount of the note in the event of prepayment penalties). The Avalanche claim is secured by liens on all North Lily and Xeres real property. See discussion in the "Events During Chapter 11 Case" section below

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[8] U.S. Bank also contributed to the Debtors' problems by clearing funds for use, on which North Lily relied. Based upon the bank's assurances, North Lily issued one million shares of stock and expended funds that it did not have.

[9] The per diem rate on this note is $27.39.

regarding the Avalanche claim. The estimated amount of this claim as of the Plan's effective date is $155,033.

Assuming the Debtors and Avalanche successfully pursue their plan for marketing and liquidating the Debtors' real property, this claim is fully secured.

III. NON-PRIORITY UNSECURED CLAIMS

The Debtors have a number of unsecured pre-petition debts. Some of these unsecured creditors have filed Proofs of Claim. A bar date to file proofs of claim has been set as ________, 2002. Creditors have until this date to file a proof of claim. The Debtors have compiled a list of the claims which were scheduled in the bankruptcy case and the claims currently filed by creditors. To the extent that a creditor who was scheduled by the Debtors files a claim, the amount of the claim as filed by the creditor is counted in the analysis. The claims list containing all known unsecured claims for North Lily and Xeres are attached to this Disclosure Statement as Exhibit A. The amount of unsecured debt for North Lily which will likely be allowed is presently estimated at no more than $1,157,000. The amount of this unsecured debt will likely be reduced to approximately $983,026 due to the large amount of subsidiary debt included in the North Lily schedules.[10] The amount of unsecured debt for Xeres which will likely be allowed is presently estimated at no more than $40,000, all of which is held by North Lily.

IV. UNEXPIRED LEASES AND EXECUTORY CONTRACTS

The following is a list of the Debtors' unexpired leases and executory contracts. The Debtors filed a Motion For Assumption of Executory Contract and Unexpired Lease, Approval of Post-Petition Borrowing and Authorization for Sale of Property Out of the Ordinary Course of Business to The Standard Group, Inc./Avalanche. The Debtors also filed a Assume Executory Contract with JBR Environmental.

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[10] The projected payments to unsecured creditors assume that the claims arising from the North Lily subsidiaries will not be allowed because these subsidiaries are separate businesses with separate managers and went out of business without any remaining assets.

Both the Avalanche and JBR Motions have been approved by the Court. The motions are explained in detail below.

A. North Lily

Avalanche/The Standard Group, Inc.	Borrowing/Marketing/Purchasing Agreement	Assume
Glenarm 1800 LLC: office lease	Office Lease	Assume
HMO Colorado/Anthem Blue Cross	Health Insurance	Assume
IKON Capital/IOS Capital	Equipment Lease[11]	
JBR Environmental Consultants, Inc.	Reclamation Services	Assume
The Delta Dental Plan of Colorado	Health Insurance	Assume
W. Gene Webb	Employment Agreement	Reject
Stephen E. Flechner	Employment Agreement	Reject

B. Xeres

Avalanche/The Standard Group, Inc.	Borrowing/Marketing/Purchasing Agreement	Assume
Redshore Properties, Inc.	Operating Agreement[12]	Assume

DESCRIPTION OF THE PLAN

[11] The IKON lease has expired and requires payment of unpaid lease payments of approximately $4,000 to enable North Lily to acquire the copier and fax.

[12] The Xeres operating agreement provides for management and control by North Lily, with Webb and Flechner as alternative managers of the Xeres LLC on behalf of the interests of North Lily. Certain of North Lily's properties were conveyed to Xeres effective December 31, 1998 in exchange for majority ownership, control and a $12.5 million note. North Lily is entitled to a $2000 per month management fee, has full control including rights to sell or mortgage, and owns 91.5% of Xeres. Through its rights under the Note and its ownership share of distributions, North Lily will receive 95 to 96.5% of the Xeres net proceeds until it receives repayment of the Note. The minority partner in Xeres (Redshore Properties Inc) is entitled to 3.5% of Xeres net proceeds after offset of approximately $40,000 in monthly management fees owed to North Lily. If the Xeres net proceeds exceed $1.5 million, the Redshore Properties share increases to 5%.

The Debtors filed their Plan, as amended, with the United States Bankruptcy Court for the District of Colorado on January 4, 2002. The Plan provides for the reorganization of North Lily and Xeres. Funding for the Plan will be derived primarily from an Agreement with the Standard Group, LLC ("TSG"). Pursuant to this agreement, TSG has a nine month option to acquire all or part of the Debtors' real property. In the event that TSG does not exercise sufficient options to allow the Debtors to pay off all secured and unsecured debt to the extent provided in the Plan, following the expiration of the option, the Debtors will either sell or refinance the remaining real property to the extent necessary to satisfy their obligations under the Plan.

The Plan provides for the specification and treatment of all creditors and interest holders of the Debtors. The Plan identifies whether each class is impaired or unimpaired. A class is unimpaired only if the Plan leaves unaltered the legal, equitable or contractual obligations between the Debtors and the unimpaired claimants or interest holders. The following is a brief summary of the Plan. The actual text of the Plan should be reviewed for more specific detail.

Priority Claims

The holders of allowed claims of the type specified in Section 507(a)(1) of the Code, costs and expenses of administration, shall receive cash equal to the allowed amount of such claim or a lesser amount as may be acceptable and agreed to by particular holders of such claims. Such claims shall be paid in full on the Effective Date of the Plan. Section 507(a)(1) claims that are allowed by the Court after the Effective Date of the Plan shall be paid within ten (10) days of their allowance.

The allowed claims of a type specified in Section 507(a)(8) of the Code, claims of governmental taxing authorities, shall be paid on the Effective Date of the Plan.

Any holder of a tax claim of a type specified in Section 507(a)(8) of the Code who is secured by assets of the Debtors by virtue of a statutory lien shall retain their statutory lien position, until the tax claim is paid, following confirmation of the Plan.

The Debtors will make all payments required to be paid to the U.S. Trustee pursuant to 28 U.S.C. §1930(a)(6) until the cases are closed, converted, or dismissed. All payments due to the U.S. Trustee pursuant to 28 U.S.C. §1930(a)(6) shall be paid on the Effective Date of the Plan, and the U.S. Trustee shall thereafter be paid fees due on a quarterly basis until the cases are closed, converted, or dismissed. The holders of claims which are costs and expenses of administration shall receive cash equal to the allowed amount of the claim on the Effective Date of the Plan. Any cost and expense of administration claim which is allowed by the Court after the Effective Date of the Plan will be paid following its allowance. The Debtors expect that the following creditors will hold claims which constitute unpaid cost and expense of administration claims as of the confirmation date of the Plan estimated as August 1, 2002.

Claimant	Nature of Claim	Claim Amount
Kutner Miller Kearns, P.C.	Legal Fees-Bankruptcy Counsel	$50,000 (estimated)
Wheeler Wassoff	Bookkeeping Services	$15,000 (estimated)
Hein and Associates	Audit Services	$18,000 (estimated)
Patton Boggs	Legal Fees - Securities Work	$5,000 (estimated)

All administrative expense claims of professionals are subject to Court approval on notice to creditors with an opportunity for a hearing. Certain professional fees may be paid pursuant to interim fee applications and upon Court allowance. The fees set forth above are the total fees expected in the case as of the confirmation date. Kutner Miller Kearns, P.C. received a retainer from the Debtors in the amount of $14,707 for post-petition services. This money was used pursuant to a court order allowing KMK to draw down 75% of the fees and 100% of the costs on a monthly basis. KMK has incurred additional fees in excess of those amounts paid with the retainer. The amount set forth above as expected due on the confirmation date does not include fees and costs paid from the retainer amounts. A portion of the balance expected to be due is being paid pursuant to orders previously entered by the Court, as funds are available.

The following specifies the classes of creditors and their treatment under the Plan. The North Lily creditors are designated "NL" and Xeres creditors are designated "X."

Class NL1: Priority, Wage and Benefit Plan Claims

Employees with priority wage claims against North Lily will be paid in full on the Effective Date of the Plan. The priority wage claims are those claims which arose within the 90 day period preceding the filing of the Debtors' Chapter 11 cases. Each priority claim for wages can be allowed up to the maximum amount of approximately $4,300. Class NL 1 consists of two insiders. The allowed Class NL1 claims shall be paid in full on the Effective Date of the Plan. The Class NL1 claims for certain pre-petition wages and employee claims are more particularly described in Sections 507(a)(3), 507(a)(4), and 507(a)(5) of the Code..

Class NL2: The Standard Group/ Avalanche Funding.

Classes NL2 and X3 consist of the allowed secured claims of The Standard Group/ Avalanche Funding. Classes NL2 and X3 are unimpaired by the Plan.

Class NL3: Karen Prior.

Class NL3 consists of the allowed secured claim of Karen Prior. Class NL3 is impaired by the Plan. The principal amount of the Class NL3 claim will be allowed in the amount of either $37,000, an amount to be determined by the Court at the confirmation hearing, or an amount agreed upon by the Debtor and the Class NL3 claimant on or before the Confirmation Date. Pursuant to 11 U.S.C. §506, the claim is secured up to the value of the collateral for the claim and unsecured for the balance. That portion of the claim which is unsecured shall be treated as a Class NL7 claim. The Class NL3 claim will bear interest at the rate of: (i) 7% per annum commencing on the Effective Date of the Plan; or (ii) if the Class NL3 claimant objects to such rate in writing and serves a copy of such objection on the Debtor at least fifteen (15) days prior to the commencement of the confirmation hearing, such rate will be determined by the Court as necessary to satisfy the requirements of 11 U.S.C. § 1129(b) of the Code; or (iii) such other rate as agreed by Debtor and the Class NL3 claimant. The Class NL3 claim will be paid in full on the earlier of either the date on which the land securing the NL3 claim is sold or eighteen months following the

Effective Date of the Plan. The Class NL3 claimant will retain all liens that secured its claim as of the petition date.

Class NL4: JBR Environmental.

Class NL4 consists of the allowed secured claim of JBR Environmental. Class NL4 is impaired by the Plan. The principal amount of the Class NL4 claim will be allowed in the amount of either $66,944, an amount to be determined by the Court at the confirmation hearing, or an amount agreed upon by the Debtor and the Class NL4 claimant on or before the Confirmation Date. Pursuant to 11 U.S.C. §506, the claim is secured up to the value of the collateral for the claim and unsecured for the balance. That portion of the claim which is unsecured shall be treated as a Class NL7 claim. The Class NL4 claim will bear interest at the rate of: (i) 7% per annum commencing on the Effective Date of the Plan; or (ii) if the Class NL4 claimant objects to such rate in writing and serves a copy of such objection on the Debtor at least fifteen (15) days prior to the commencement of the confirmation hearing, such rate will be determined by the Court as necessary to satisfy the requirements of 11 U.S.C. § 1129(b) of the Code; or (iii) such other rate as agreed by Debtor and the Class NL4 claimant. The Class NL4 claim will be paid in full on the earlier of either the date on which the land securing the NL4 claim is sold or eighteen months following the Effective Date of the Plan. The Class NL4 claimant will retain all liens that secured its claim as of the petition date.

Class NL5: Theodore Loud.

Class NL5 consists of the allowed secured claim of Theodore Loud. Class NL5 is impaired by the Plan. The principal amount of the Class NL5 claim will be allowed in the amount of either $15,000 or an amount to be determined by the Court at the confirmation hearing, or an amount agreed upon by the Debtor and the Class NL5 claimant on or before the Confirmation Date. Pursuant to 11 U.S.C. §506, the claim is secured up to the value of the collateral for the claim and unsecured or the balance. That portion of the claim which is unsecured shall be treated as a Class NL7 claim. The Class NL5 claim will bear interest at the rate of: (i) 7% per annum commencing on the Effective Date of the Plan; or (ii) if the Class

NL5 claimant objects to such rate in writing and serves a copy of such objection on the Debtor at least fifteen (15) days prior to the commencement of the confirmation hearing, such rate will be determined by the Court as necessary to satisfy the requirements of 11 U.S.C. § 1129(b) of the Code; or (iii) such other rate as agreed by Debtor and the Class NL5 claimant. The Class NL5 claim will be paid in full on the earlier of either the date on which the land securing the NL5 claim is sold or eighteen months following the Effective Date of the Plan. The Class NL5 claimant will retain all liens that secured its claim as of the petition date.

Class NL6 (a) and (b): Utah and Juab County Treasurers.

Class NL6(a) and (b) consist of the allowed secured claims of the Utah and Juab County Treasurers. Classes NL6(a) and (b) are impaired by the Plan. The principal amount of the Class NL6(a) and (b) claims will be allowed in the amount due on the Effective Date of the Plan in accordance with applicable Utah law. The Class NL6(a) and (b) claims will bear interest at the rate of: (i) 6% per annum commencing on the Effective Date of the Plan; or (ii) if the Class NL6(a) and (b) claimants object to such rate in writing and serves a copy of such objection on the Debtor at least fifteen (15) days prior to the commencement of the confirmation hearing, such rate will be determined by the Court as necessary to satisfy the requirements of 11 U.S.C. § 1129(b) of the Code; or (iii) such other rate as agreed by Debtor and the Class NL6(a) and (b) claimants. The Class NL6(a) and (b) claims will be paid in full on the earlier of either the day the real property securing the claims is sold or two years from the Effective Date of the Plan. The Class NL6(a) and (b) claimants will retain all liens that secured the claim as of the petition date.

Class X1: Old West.

Class X1 consists of the allowed secured claim of Old West. Class X1 is impaired by the Plan. The principal amount of the Class X1 claim will be allowed in the amount of the claim amount filed by the Class X1 claimant, or an amount to be determined by the Court at the confirmation hearing, or an amount agreed upon by the Debtor and the Class X1 claimant on or before the Confirmation Date. Pursuant to 11 U.S.C. §506, the claim is secured up to the value of the collateral for the claim and unsecured for the balance. That portion of the claim which is unsecured shall be treated as a Class X5 claim. The Class X1 claim will bear interest at the rate of: (i) 7% per annum commencing on the Effective Date of the Plan; or (ii) if the Class X1 claimant objects to such rate in writing and serves a copy of such objection on the Debtor at least fifteen (15) days prior to the commencement of the confirmation hearing, such rate will be determined by the Court as necessary to satisfy the requirements of 11 U.S.C. § 1129(b) of the Code; or (iii) such other rate as agreed by Debtor and the Class X1 claimant. The Class X1 claim will be paid in full on the earlier of either the date on which the land securing the X1 claim is sold or eighteen months following the Effective Date of the Plan. The X1 claim may be prepaid at any time without premium or penalty. The X1 claimant shall provide the Debtor with partial releases of its mortgage or trust deed as individual parcels of property which secure the claim are sold provided that the individual release prices for each parcel which serves as collateral shall be determined in accordance with the loan documents which evidence the X1 claim, except to the extent modified herein. The Class X1 claimant will retain all liens that secured its claim as of the petition date.

Class X2: US Bank.

Class X2 consists of the allowed secured claim of US Bank. Class X2 is impaired by the Plan. The principal amount of the Class X2 claim will be allowed in the amount of the claim amount filed by the Class X2 claimant or an amount to be determined by the Court at the confirmation hearing, or an amount agreed upon by the Debtor and the Class X2 claimant on or before the Confirmation Date. Pursuant to 11 U.S.C. §506, the claim is secured up to the value of the collateral for the claim and unsecured for the balance. That portion of the claim which is unsecured shall be treated as a Class X5 claim. The Class X2 claim will bear interest at the rate of: (i) 7% per annum commencing on the Effective Date of the Plan; or (ii) if the Class X2 claimant objects to such rate in writing and serves a copy of such objection on the Debtor at least fifteen (15) days prior to the commencement of the confirmation hearing, such rate will be determined by the Court as necessary to satisfy the requirements of 11 U.S.C. § 1129(b) of the Code; or (iii) such other rate as agreed by Debtor and the Class X2 claimant. The Class X2 claim will be paid in full on the earlier of either the date on which the land securing the X2 claim is sold or eighteen months following the Effective

Date of the Plan. The X1 claim may be prepaid at any time without premium or penalty. The Class X2 claimant will retain all liens that secured its claim as of the petition date.

Class X3: The Standard Group/ Avalanche Funding.

Classes X3 and NL2 consist of the allowed secured claims of The Standard Group/ Avalanche Funding. Classes X3 and NL2 are unimpaired by the Plan.

Class X4: Utah County Treasurer.

Class X4 consists of the allowed secured claim of the Utah County Treasurer. Class X4 is impaired by the Plan. The principal amount of the Class X4 claim will be allowed in the amount due on the Effective Date of the Plan in accordance with applicable Utah law. The Class X4 claim will bear interest at the rate of: (i) 6% per annum commencing on the Effective Date of the Plan; or (ii) if the Class X4 claimant objects to such rate in writing and serves a copy of such objection on the Debtor at least fifteen (15) days prior to the commencement of the confirmation hearing, such rate will be determined by the Court as necessary to satisfy the requirements of 11 U.S.C. § 1129(b) of the Code; or (iii) such other rate as agreed by Debtor and the Class X4 claimant. The Class X4 claims will be paid in full on the earlier of either the day the real property securing the claims is sold or two years from the Effective Date of the Plan. The Class X4 claimant will retain all liens that secured its claim as of the petition date.

Classes NL7 and X5: Creditors who hold allowed unsecured claims.

Classes NL7 and X5 are impaired under the Plan. Each Class NL7 and X5 creditor will have the option to select one of three alternative treatments under the Plan. The election of treatment shall be made on the Ballot used for voting on the Plan. The options are as follows:

1. **Option One**: Each Class NL7 and X5 claimant shall have the option of converting their claim to stock in the reorganized North Lily. New shares of stock in North Lily shall be issued after the

Effective Date of the Plan.[13] The shares will be issued on a dollar for dollar basis (one share of stock for each dollar of allowed claim) to those Class NL7 and X5 claimants who have notified the Debtors, in writing, prior to the confirmation hearing that they would like to have shares of stock issued to them on account of their claims. Each electing claimant who requests stock will have their claim satisfied with stock and will not receive any cash distribution.

2. **Option Two**: Each Class NL7 and X5 claimant shall have the option of receiving cash on account of their claim. Each electing claimant shall receive $.35 on account of each dollar of allowed claim. Payment will be made from 50% of the Net Proceeds of each parcel of real property sold by the Debtors. The 50% of Net Proceeds payment will be made to electing claimants on a pro-rata basis until each such claimant has received payment of thirty five percent of their allowed claim. Notwithstanding the foregoing, each electing claimant will be paid their thirty five percent payment to satisfy their claim no later than two years following the Effective Date of the Plan.

3. **Option Three:** Option three is a combination of Options One and Two. Each Class NL7 and X5 claimant shall have the option of receiving a combination of cash and stock in the reorganized North Lily. Each electing claimant shall receive $.20 on account of each dollar of allowed claim. Payment will be made from 50% of the Net Proceeds of each parcel of real property sold by the Debtors. The 50% of Net Proceeds payment will be made to electing claimants on a pro-rata basis until each such claimant has received payment of twenty percent of their allowed claim. Notwithstanding the foregoing, each electing claimant will be paid their twenty percent payment to satisfy twenty percent of their claim no later than two years following the Effective Date of the Plan. In addition to cash, each electing claimant shall receive the balance of their claim in stock. New shares of stock in North Lily shall be issued after the Effective Date of the Plan. The shares will be issued on a dollar for dollar basis (one share of stock for each dollar of remaining allowed claim) to those Class NL7 and X5 claimants who have notified the Debtors, in writing, prior to the confirmation hearing that they elect Option Three. Each electing claimant

[13] The issuance of new shares will occur after the North Lily stock has been rolled back ten for one to pre-petition shareholders. As a result, there will be 90% fewer shares outstanding post-confirmation compared with the pre-petition shares outstanding.

who chooses Option Three will have their claim satisfied eighty percent with stock and a twenty percent with a cash distribution as described above. For example, a general unsecured creditor with an allowed claim of one hundred dollars who chooses Option Three shall receive $20 and eighty shares of stock.

Class X6: Allowed interests held by the preconfirmation members of Xeres

Class X6 is unimpaired by this Plan.

Class NL8: The allowed interests held by the preconfirmation shareholders of North Lily

Class NL8 is impaired by this Plan. On the Effective Date of the Plan, the outstanding shares of stock held by each shareholder of record shall be reduced by 90%. The result will be a 10 for 1 reverse split of North Lily's outstanding shares of common stock. In the event that the reverse split results in a shareholder who would own less than 100 shares, an odd lot, the shareholder will have the right to purchase additional shares at a price determined by North Lily on the Confirmation Date, sufficient to provide the shareholder with 100 shares. In the event the shareholder does not purchase additional shares, all of the shareholder's outstanding shares shall be canceled.

As of the date of this Disclosure Statement there are 18,604,932 shares[14] of North Lily common stock, issued and outstanding. Following Plan confirmation the number of shares of common stock issued and outstanding will be 1,860,493 plus the number of shares issued to creditors who elect to receive shares in satisfaction of all or part of their claim.

Secured Creditor Option to Receive Stock

Each secured creditor or administrative expense claimant shall be given the option to elect to receive stock in North Lily at the rate of two shares of stock for each dollar of allowed claim in lieu of all or part of the treatment set forth in Articles IV and VI. Election shall be made at the time creditors

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[14] This number includes the shares North Lily intends to recoup based on its various claims against certain shareholders for non-performance of services.

vote on the Plan. Each electing secured creditor must release their lien and secured claim at the time their stock is issued.

Cancellation of Pre-Petition Stock Options

On the Effective Date of the Plan, all outstanding stock options and warrants shall be canceled or rejected as executory contracts and of no further force or effect. Cancellation or rejection of the stock options and warrants shall occur pursuant to the Plan.

PLAN FEASIBILITY

The Debtors believe that the Plan, as proposed, is feasible. The Debtors will remain in their existing business following confirmation of the Plan. The business consists of but will not be limited to development and sale of real property holdings, possible development of clay deposits, reclamation activities, entry into mining leases or joint ventures and easements with respect to real property holdings.

North Lily is currently exploring additional business opportunities that come to the attention of management with a view toward entering into new business ventures or taking advantage of corporate opportunities with the goal of maximizing value for creditors and shareholders. Although not all of North Lily's investments have proven successful, North Lily's officers have a prior track record that includes several notable successes. Although North Lily's stock was delisted from the Bulletin Board, it is still listed and trading in the Over The Counter Pink Sheets, and can regain value and volume even before it is requalified for listing on the Bulletin Board.

The Debtors are assuming pursuant to the Plan their Letter of Agreement dated on or about August 28, 2001 with TSG. This Agreement was previously approved during the course of the Chapter 11 case and has been detailed in a Financing Agreement dated February 11, 2002. Pursuant to the Agreement, TSG has certain funding obligations and a nine month option to acquire all or part of the Debtors' real property. In the event that TSG does not exercise sufficient options to allow the Debtors to pay off all secured and unsecured debt to the extent provided in this Plan, following expiration of the option, the

Debtors will either sell or refinance the remaining real property to the extent necessary to satisfy their obligations under the Plan.

In the event that TSG does not exercise its option to acquire the Debtors' real property, the Debtors will have a limited window of months to sell sufficient land to pay creditors. There is no guarantee that land can be sold at prices equal to the TSG option prices. Land may have to be sold at reduced prices or at auction in order to generate needed sales. The receipt of lower prices for land sales may make it difficult to pay all creditors as scheduled, particularly if creditors do not elect the stock alternatives under the Plan.

Attached to this Disclosure Statement as Exhibit B is the Debtors' projection of its operations through the year 2003. The Debtors expect to meet their expenses of operation with the loan proceeds provided by TSG and through the sale of the real property. See "Assumptions of Pro Forma Statements" attached also as Exhibit B regarding the sale of real property. TSG has been actively working with a real estate broker in Utah who is marketing the Debtors' real property. If the marketing efforts do not result in TSG's exercise of its options and, in combination with the Debtors' enhancement of the land values through title and related work, timely sales results are not produced, then North Lily shall replace TSG (either by waiting until their options expire on September 14, 2002 or by seeking Court relief sooner if justified) and use North Lily's direct knowledge and prior selling experience to liquidate the remaining lands for the benefit of unsecured creditors.

The Debtors have also included its financial statements for the year 2001 as Exhibit C to enable creditors to review historic operating results.

TAX CONSEQUENCES

The Debtors are not providing tax advice to creditors or interest holders. Each party affected by the Plan should consult its own tax advisor for information as to the tax consequences of Plan confirmation. Generally, unsecured creditors should have no tax impact as a result of Plan confirmation. The recovery of each creditor is payment on account of a debt and generally not taxable, unless the creditor wrote off the debt against income in a prior year in which case income may have to be recognized. Interest holders may have very complicated tax effects as a result of Plan confirmation.

POST-CONFIRMATION MANAGEMENT

The current officers of North Lily and managers of Xeres will retain their positions post petition. Stephen E. Flechner is the Chief Executive Officer and Director of North Lily, and a Manager of Xeres. W. Gene Webb is the Executive Vice President, Secretary and Director of North Lily and a Manager of Xeres. A brief background of the Debtors' post-petition management team is as follows:

Stephen E. Flechner, Chief Executive Officer, President and Director, Manager of Xeres

Mr. Flechner earned a Bachelor of Art degree at New York University in Economics and Political Science in 1964, and a Juris Doctor degree at Yale Law School in 1967. From 1967 to 1979, Mr. Flechner served as general counsel in two multi-division international corporations listed on the New York Stock Exchange, after working at two prominent New York corporate law firms practicing corporate, securities, and merger and acquisitions law. Mr. Flechner has been actively involved in mining and related fields since 1979. From 1979 to 1993, Mr. Flechner was Vice President and General Counsel of Gold Fields Mining Corporation where he helped build a 20 person gold exploration team into a 1200 person company with revenues in excess of $170 million, net profits in excess of $70 million, and an eventual resale price of over half a billion dollars. From 1993 to 1997, Mr. Flechner served in various positions, including positions of president and chairman of Prospex Mining Inc. where he raised $10 million on the Vancouver Stock Exchange for silver and gold exploration. Mr. Flechner has served as the Chief Executive Officer, President and Director of North Lily since May, 1994.

W. Gene Webb, Executive Vice Pres., Secretary and Director of North Lily; Manager of Xeres

Mr. Webb earned his Bachelor of Science degree in finance and accounting from the University of Colorado in 1971. Mr. Webb has been actively involved in mining and related fields since 1963. He has been the president and a director of Ferret Exploration Company Inc. in Denver since 1978 and the vice president and director of Tellis Gold Mining Company in Vancouver since 1989. From 1989 until 1994 Mr. Webb was also the president and director of Canadian Industrial Minerals Corporation, an oil, gas and mining company based in Denver. During his mining ventures, Mr. Webb raised almost $40 million in four years for Western Goldfields Mining Company, of which he was an officer, director and shareholder. He was then instrumental in selling that company for $175 million. Mr. Webb was involved in a number of different fund raising ventures throughout his career. Mr. Webb has served as the Executive Vice President, Secretary, and Director of North Lily since May, 1994.

Compensation of Officers Flechner and Webb

Pursuant to employment agreements the compensation for each officer is $10,000 per month plus health insurance. The officers agreed to accept $6,000.00 per month effective post-petition and the remainder $4,000 to be accrued and exchanged for stock. From September 6, 2001 through December 31, 2001 the officers were paid $48,000 each. Payments were made in January and February 2002 for compensation due for the period October through December 2001. The officers have not been paid compensation for January and February 2002. The officers have agreed that the Company will not assume the employment agreements effective September 6, 2001. The officers further agreed to accept the $6,000 per month compensation for the period September 6, 2001 through September 30, 2002 at which time the compensation will reviewed. The Company will reverse the accrual of $4,000 per month per officer through February 2002 as the officers have agreed to waive this compensation.

It has been the practice of the officers to forgo compensation and/or accept shares. As described above, the accruals of officer salaries for the period September 6, 2001 through December 31, 2001 in the amount of $32,000 will be reversed. The accrual of compensation prior to September 6, 2001 will remain and be treated as a general unsecured claim in the Debtors' Plan. In 1999 and 2000 the Company's officers (Flechner and Webb) forgave compensation in the amount of $77,000 and $132,000 respectively and agreed not to accrue compensation salaries for the period April through September 1999 and in January 2000 and agreed to exchange compensation for shares. The Company paid only $69,000 in officer compensation for the period May 1994 through December 1999. As stated above, the officers have a history of exchanging portions of their compensation for shares. This practice has helped Company's cash flow during relevant periods of time.

EVENTS DURING THE CHAPTER 11 CASE

Operations

North Lily has continued to operate its business throughout the Chapter 11 case. Operating statements, as amended, have been filed with the U.S. Trustee's Office and the Court on a monthly basis. These operating statements have indicated monthly gross revenue and earnings as follows:

North Lily

Month	Gross Revenues	Net Income Before Tax
September, 2001	$2,000	$(31,531)
October, 2001	2,000	(47,137)
November, 2001	2,000	(34,301)
December, 2001	2,055	(62,341)
January, 2002	0	(31,762)
February, 2002	0	(46,602)

Xeres

Month	Gross Revenues	Net Income Before Tax
September, 2001	$0	$(2,000)
October, 2001	0	(2,013)
November, 2001	0	(2,010)
December, 2001	0	(2,010)
January, 2002	0	(2,019)
February, 2002	0	(2,259)

The North Lily "Net Income Before Tax" figure includes accruals for unpaid salary, and will be reversed in the Debtors books. Mr. Flechner and Mr. Webb each accrued $16,000 in unpaid salary for the period September 6, 2001 through December 31, 2001. Mssrs. Flechner and Webb have agreed to reverse the $16,000 in accrued unpaid post-petition salary, and such amounts will not be paid to Mssrs. Flechner and Webb. Mssrs. Flechner and Webb will earn a salary of $6,000 per month retroactive through September 6, 2001.

The Debtors' post-petition income statements and balance sheets for the months of September, 2001 through February, 2002 are attached hereto as Exhibit D. The balance sheets and income statements provide information regarding the Debtors' financial condition during the bankruptcy case.

The Standard Group, LLC

On October 10, 2001, the Debtors filed a Motion For Assumption of Executory Contract and Unexpired Lease, Approval of Post-Petition Borrowing and Authorization for Sale of Property Out of the Ordinary Course of Business to the Standard Group, LLC or its affiliate, Avalanche Funding, LLC ("TSG Motion"). The Debtors entered into a pre-petition Letter Agreement ("TSG Agreement") with the Standard Group, LLC ("TSG") and its affiliates to market and sell the Debtors' real property and provided the Debtors with financing on a pre and post petition basis. The TSG Agreement provided the following:

- TSG would provide the Debtors with a $200,000 commitment, plus anticipated closing and title related costs, to finance its Chapter 11 case; and
- The Debtors would lease its real property to TSG with the grant to TSG of an option to purchase specific parcels of the real property at pre-determined option prices per acre of land sold.
- If TSG exercises its options and resells property before October 15, 2002 for more than the option exercise price, then it shares the resale profits with the Debtors.

The terms of the financing are as follows:

- $20,000 plus anticipated closing, legal and title related costs to be advanced to the Debtors in a secured Promissory Note basis, the collateral for the Note is the Debtors' real property. The loan origination fee is 10% and the interest rate on the Note is 18% per annum. The term of the Note is fifteen months. Some $16,300 of the anticipated closing and title related costs was advanced to the Debtors pre-petition pursuant to a Promissory Note and Deed of Trust.

- $80,000 to be advanced to the Debtors on a secured Promissory Note basis and will have the same collateral as set forth above. The origination fee for this portion of the loan is 5% and the interest rate is 15% per annum. Monthly payments are due on account of this portion of the loan at the rate of $1,260 per month and the entire Note matures in 12 months.
- $100,000 to be advanced to the Debtors on a secured Promissory Note basis utilizing the same collateral as the prior two loans. The origination fee for this Note is 5% and the interest rate is 15% per annum. Monthly payments of $2,000 per month are due on account of this tranche and the entire outstanding balance matures in 12 months.

The TSG Agreement also provided TSG with an option to purchase the Debtors' real property at pre-determined prices. The purchase price varies per parcel with a price based upon the desirability of the underlying real estate. The Agreement provides that in the event TSG purchases land under its option and agrees to sell the same land for a price in excess of the option price prior to October 15, 2002, then the Debtors may share in additional compensation pursuant to a formula set forth in the TSG Agreement.

Under the TSG Agreement, the Debtors have no real estate commissions to pay upon TSG's exercise of each option. Similarly, the Debtors will not incur any marketing charges or other costs which will likely be incurred by TSG as they try to resell the optioned Property. The Debtors also retain their normal royalty reservations in the remote event that minerals including water were later commercially produced from the properties. The elimination of these costs and such items justify the discount to estimated market value which is provided to TSG under the option.

Sharon Shirk and the United States Trustee filed objections to the TSG Agreement. The Unsecured Creditors Committee filed a response to the TSG Agreement agreeing with the terms of the agreement, except for the loan interest rates and origination fees. The Unsecured Creditors Committee requested that the Court make and enter an Order approving the TSG Agreement, with modified loan interest rates and origination fees, "as soon as possible so that the group can proceed immediately with its plans for the Debtors lands, which the committee believes should provide the best opportunity for starting to develop benefit for the unsecured creditors in this case." On November 30, 2001, the Debtors and the U.S. Trustee entered into a Stipulation on the Debtors' motion and modified the TSG Agreement ("TSG Stipulation") as follows:

- The Interim Loan in the amount of $80,000 and the Final Loan in the amount of $100,000 shall be modified to provide that the loan origination fee for each loan shall be reduced from 5 points to 4 points. In addition, the interest rate applicable to both loans shall be reduced from 15% to 14%. The loans shall have a 15 month term commencing upon the first date on which both the Order for approval is entered and the first advance is made ("Loan Effective Date").
- The duration of Lease with Option to Buy shall extend for a period of nine months commencing on the Loan Effective Date. This represents a reduction from the one year period set forth in the existing Agreement.
- The Lease with Option to Buy provision of the Agreement became in full force and effect, binding by and between the Debtors and The Standard Group following approval by the Court. However, in the event that the Debtors Chapter 11 case is converted by the Court to a case under Chapter 7, the Lease with Option to Buy shall not be binding on a Chapter 7 Trustee from the date of his appointment

On December 14, 2001, the Court issued an Order approving the Debtors' Motion to assume the TSG Agreement, as amended by the TSG Stipulation, which allows the Debtors to sell parcels of the Property to TSG free and clear of liens, claims and encumbrances as TSG exercises its options.

TSG/Avalanche Funding holds a secured claim in the aggregate amount of $168,053.54, which is evidenced by an Amended and Restated Promissory Note dated March 20, 2002. The amount of the claim is the amount of the aggregate of the pre-petition loan to Debtors plus the post-petition loans to Debtors, including Anticipated Lendings (for title and environmental related expenditures contemplated in the Initial Loan provisions of the LOA) and Original Issue Discount (which is the lender's gross-up of the face amount of the note in the event of prepayment penalties). The actual amount owed by Debtors to Avalanche is $155,555.59, assuming absence of prepayment penalties. That amount of $155,555.59 includes the $16,300 pre-petition loan and the $27,163.95 of Anticipated Lendings. When those two amounts are excluded, the balance owing is reduced to $112,091.66, which when subtracted from the

$200,000 of secured loans authorized by the Court, would leave a balance of available borrowing of $88,909. If the pre-petition loan of $16,300 is included in the $200,000 authorization, then the remaining authorized borrowing is $72,609.

To date, TSG has loaned the Debtors the aggregate amounts of $87,735, consisting of $20,000 Initial Loan in December at 10 points and 18% interest, plus $67,735, consisting of $20,000, $30,000 and $17,735 Interim Loan components in February and March 2002 at 4 points and 14% interest. Avalanche has also exercised an option to purchase the Northern Patch PMC parcel of land for $12,264.75 to complete funding of the $80,000 Interim Loan. In consideration for Avalanche waiving timing to date for completion of the extensive, detailed title work necessary to achieve title insurance commitments for surface ownership of the patented mining claims, Debtors have agreed to accept funding of the $80,000 Interim and $100,000 Final Loans authorized by the Court in monthly installments.

The use of proceeds for the $87,735 of cash consists of the expenditures accounted for in the Monthly Financial Reports, except to the extent of the $35,000 in hand on the date of filing and the $14,300 of note proceeds also consumed per the Reports. In addition to the $87,735 of cash, the debt of $155,555 to Avalanche includes $67,821 consisting of (a) $16,300 pre-petition loan used for title, legal & environmental costs, (b) $7,495 of closing costs for four installments, (c) $7,896 of points to lender Avalanche, (d) $9,000 reserved at the time of the Initial Loan for additional title costs, which is now almost fully expended and completed, and (e) $27,164 of the so-called "Anticipated Lendings", also for title and environmental costs, which were contemplated in the LOA along with the Initial Loan of $20,000 made (after Court approval) in December 2001 at 10 points and 18% interest. It is Debtors' and lender's understanding that these Anticipated Lendings are another part of the Initial Loan pursuant to the terms of the LOA, but are not part of the aggregate $200,000 of authorized borrowing nor part of the $180,000 of Interim and Final Loans for which the lender's points and interest were agreed to be reduced.

The "profit sharing" formula embodied in the LOA works as follows: The North Lily properties are divided into 11 parcels, each of which has an "option purchase price." Avalanche is entitled until September 14, 2002 to exercise any of the options by paying the option prices, which would yield North Lily approximately $1.45 million. Avalanche exercised its first such option in March for $12,264.75. If

Avalanche agrees by October 15, 2002 to resell any property for which it has exercised its option to purchase from North Lily, then it shall share resale profits, if any, with North Lily as follows. Gross Resale Price less all costs of sale equals Net Resale Price. To the extent that Net Resale Price exceeds the option price, Avalanche keeps the greater of $20/acre or 15% of the option price ("Avalanche's portion"). To the extent that the Net Resale Price exceeds the option price plus Avalanche's portion, then Avalanche and North Lily split the excess resale profits fifty/fifty.

JBR Environmental

On November 21, 2001, North Lily filed a Motion for Order under 11 U.S.C. § 365 and Fed. R. Bank. P. 6006 Authorizing Debtor to Assume Executory Contract with JBR Environmental Consultants, Inc. In order to comply with applicable environmental protection laws, and to avoid potential fines, while also helping to realize the greatest possible recovery for sale of North Lily's property, North Lily must also complete reclamation and monitoring of its small heap leach tailings reprocessing facility located near Silver City, Utah ("Project") on a portion of its real property.

The reclamation completion process involved the revegitation of land by November, 2001 and continued monitoring for five years. The reclamation work was necessarily time sensitive. Under a State of Utah Stipulation and Consent Order dated July 26, 2000, (as amended) Docket No. 2000-004/Cause No. M/023/007, State of Utah, North Lily was required to complete the revegitation work at the Project no later than November, 2001. Additionally, North Lily is required to perform five years of weekly environmental monitoring at the Project.

Failure to perform the revegitation work would have exposed North Lily to forfeiture of a $32,500 bond posted by North Lily and held by the Utah State Division of Oil, Gas and Mining and also exposes North Lily to substantial fines to both the Utah State Departments of Oil, Gas and Mining and Water Quality.

North Lily retained JBR Environmental Consultants, Inc. ("JBR") approximately two years ago to begin the final reclamation work required at the Project. To date, North Lily has expended approximately

$400,000 on the shutdown of the Project and the reclamation work. The revegitation and monitoring work are the last phases of the reclamation work.

On June 22, 2001, North Lily entered into an agreement ("Agreement") with JBR. The Agreement was supplemented on November 7, 2001. The Agreement provides for JBR to continue and complete North Lily's necessary shut down, reclamation and monitoring work for the Project. This ongoing work will take up to five years. In exchange, North Lily agreed to immediately pay $85,000 to JBR from funds which then were being released from the Project's reclamation bond toward a then existing balance due JBR of $143,574.69 (the balance subsequently increased to $151,944 as of June 30, 2001 for work performed in the interim). North Lily further agreed to execute and provide JBR with a promissory note which obligated North Lily to pay the remaining June 30 balance of $66,944.00 by December 31, 2001 at 8% interest. Further, North Lily executed a Deed of Trust to secure the promissory note with 800 acres of patented mining claims know as the Paymaster.

Pursuant to the June 22, 2001 Agreement, North Lily also assigned to JBR the proceeds from North Lily's remaining reclamation bond in the amount of $32,500 on November 6, 2001. JBR will look to the bond solely to pay the remaining costs and expenses for its work.

North Lily received a U.S. Environmental Protection Agency request for information pursuant to CERCLA, Section 104 with respect to the Project and historic activity in the District. In order to adequately respond to the EPA request, North Lily required additional services from JBR. The parties have entered into a further Supplement to the Agreement under which JBR agreed to provide the needed services. The cost for this supplemental work was $1,500, plus costs for substantial work performed by a geologist consultant.

Approval of the Debtor's assumption of the Agreement as amended and supplemented allowed the Debtors to remain in compliance with environmental laws and enhance and preserve the value of the real property assets and bond. The Court approved the assumption of the Agreement on January 25, 2002.

United States Trustee

On November 29, 2001, the U.S. Trustee filed a Motion to Convert or Dismiss the Debtors' cases. The Debtors and the Trustee discussed the issues regarding the Trustee's motion, and the Trustee agreed to withdraw its motion. On December 26, 2001, the U.S. Trustee filed a Motion to Permit Withdrawal Without Prejudice of the United States Trustee's Motion to Convert Jointly Administered Cases. On January 9, 2002, the Court issued an Order Permitting the Withdrawal Without Prejudice of the United States Trustee's Motion to Convert Jointly Administered Cases.

Glenarm 1800 LLC

Debtors assumed their office lease with Glenarm subject to the right to terminate upon 60 days notice, and based upon lessor's agreement that unpaid pre-petition rent remains unsecured debt, and with a $200 per month reduction in rent and avoidance of rent increase provisions until Plan confirmation. In addition, Debtors entered an office sharing/subleasing agreement with Mortgage Partners effective February 2002, which currently reduces the Debtors' rent expense by $1,000 per month. Debtors are current with their rent obligations.

LIQUIDATION ANALYSIS UNDER CHAPTER 7

The principal alternative to the Debtors' reorganization under Chapter 11 is a conversion of the case to Chapter 7 of the Bankruptcy Code. Chapter 7 requires the liquidation of the Debtors' assets by a Trustee who is appointed by the United States Trustee's office. In a Chapter 7 case, the Debtors would cease all business operations and the Trustee would take over control of the assets. The assets would be liquidated and the proceeds distributed to creditors in the order of their priorities.

North Lily

Under a Chapter 7 liquidation, secured creditors may obtain relief from the automatic stay and foreclose their security interests in North Lily's real and personal property. Under a Chapter 7 liquidation, unsecured creditors may receive a portion of their claims, depending on the market value of North Lily's assets. A forced sale liquidation of the North Lily real and personal property by a Chapter 7 Trustee will undoubtedly result in a lower market price than if sold under the Plan within two years.

As detailed in Exhibit E, assuming a sixty day liquidation sale of the North Lily real and personal property, the proceeds from sale of the real estate is a negative value. This figure takes into consideration an estimated sale value of $288,400, payment of secured claims, real estate taxes, costs and commissions related to the sale. North Lily possesses a minimal amount of personal property with an estimated value of $9,517. The Chapter 11 administrative expenses, including legal and accounting fees to be paid are estimated at $89,000, leaving the estate with no funds or assets. Under these assumptions, the total distribution to unsecured creditors is zero.

The other alternative to North Lily's reorganization under Chapter 11 is dismissal of the case from the Bankruptcy Court. If a bankruptcy case is dismissed, all the transactions related to assets, liquidation and distribution to creditors will occur outside of bankruptcy. The secured creditors may foreclose on the North Lily real property. Unsecured creditors will have to file lawsuits against North Lily and obtain a judgment in State or Federal Court to receive any distribution of North Lily's unencumbered assets. Due to the large amount of unsecured claims in the North Lily estate, and the costs to litigate such claims, unsecured creditors will likely receive nothing.

Given the alternatives under a Chapter 7 scenario, and under a case dismissal scenario, the Debtors' proposed Chapter 11 Plan provides a substantially better alternative for all parties involved. It is therefore urged by the Debtors that all creditors vote in favor of the Plan.

Xeres

Under a Chapter 7 liquidation, secured creditors may obtain relief from the automatic stay and foreclose their security interests in Xeres' real property. Under a Chapter 7 liquidation, unsecured creditors will likely receive no distribution on their claims. A forced sale liquidation of the Xeres real personal property by a Chapter 7 Trustee will undoubtedly result in a lower market price than if sold under the Plan. As detailed in Exhibit E, assuming a sixty day liquidation sale of the Xeres real property, there will be insufficient equity to pay all secured creditors, let alone any unsecured creditors.

Given the priority claims that would have to be paid, there is no likelihood that unsecured creditors would be paid in a Chapter 7 case. Given the alternative under a Chapter 7 scenario, the Debtors' proposed Chapter 11 Plan provides a substantially better alternative for unsecured creditors. It is therefore urged by the Debtors that all creditors vote in favor of the Plan.

DATED: April 4, 2002.

NORTH LILY MINING COMPANY, A UTAH CORPORATION

XERES TINTIC, LLC

By:______________________________
Stephen E. Flechner, Chief Executive Officer

By:______________________________
W. Gene Webb, Executive Vice President

Kutner Miller Kearns, P.C. ("KMK") has acted as legal counsel to North Lily Mining Company and Xeres Tintic, LLC on bankruptcy matters during the Chapter 11 case. KMK has prepared this Disclosure Statement with information provided primarily by North Lily and Xeres. The information contained herein has been approved by North Lily and Xeres. KMK has not made any separate independent investigation as to the veracity or accuracy of the statements contained herein.

Counsel to North Lily Mining Company and Xeres Tintic, LLC
Debtors-in-Possession:

By:________________________
Lee M. Kutner, #10966

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EXHIBIT A

North Lily General Unsecured Creditors

Creditor	Claim	Proof of Claim No.	Subsidiary claim
Aaron Rents, Inc.	$5,454.48		x
Accent Coffee Services, Inc.	$97.82		x
Accountemps	$1,650.88		x
Advantage Credit International	$13.00		x
Agresi & Associates, LLC	$530.00		x
Airborne Express	$575.00		x
Alpine Roastery	$296.18		x
American Express	$29,739.01	3	
Anaconda-Deer Lodge County	$1,371.97		
Andy DiBattista	$27,974.00		
Anthem Life	$0.00		
Arapahoe Community College	$257.00		x
Arapahoe County Treasurer	$328.40		x
Arnold F. Guttenberg, P.C.	$1,250.00		x
Ascent Appraisals	$1,400.00		x
AT&T	$1,233.68		
AT&T	$435.72		x
AT&T	$463.94		x
B.L. Berman	$18,900.00		
Baker Real Estate Appraisals	$300.00		x
Bearman, Talesnick & Clowdus	$9,097.00		
Bob Mitchell	$0.00		x
Brenda Solano	$3,030.30		x
Business Wire	$115.00		
Chase Management	$8,259.86		
Chemtech-Ford	$1,450.00		
Chicago Title	$0.00		x
Chris Springer	$1,200.00		x
Colorado Engineering & Surveying, Inc.	$300.00		x
Colorado Secretary of State	$25.00		x
Community Trust Funding	$4,307.02		x
Computer Upgrades, Inc.	$5,380.96		x
Computershare	$17,567.00		
Convergent Communications Services, Inc.	$2,600.00		x
Coopers & Lybrand	$50,260.91		
Corette Pohlman & Kebe	$9,471.11		
CT Corporation Systems	$255.00		
Daryek Thomson	$1,250.00		x
Data Safe	$822.69		
De Lage Landen	$6,275.52		x
Dean Witter Reynolds	$723.13		
Denver Business Journal	$79.00		x
DMS Appraisal	$2,400.00		x
Don Dominick	$0.00		x
Dr. Sandeep Singla	$25,000.00		
Ducker, M&L, P.C.	$11,599.67		
Eastgate Appraisal, Inc.	$0.00		x
Ebert Appraisal Service	$102.00		x

EXHIBIT A

North Lily General Unsecured Creditors

Creditor	Claim	Proof of Claim No.	Subsidiary claim
Edgar by Knight	$594.00		
Efficy Group, Inc.	$863.51		x
Environmental Management Services	$7,739.87		
ESA Consultants, Inc.	$2,824.76		
Executive Manor Company	$15,024.88		x
Experian Marketing Services	$14,608.50		x
Federal Express	$2,980.59		x
Federal Express	$411.76		x
Fidelity National Credit Services	$5,499.24		x
First Business Systems, Inc.	$1,721.41		x
First Cherry Creek, LLC c/o DPM, Inc.	$8.00		x
First Community Mortgage c/o Girsh & Rottman	$0.00		x
Gary W. Mitchell	$0.00		x
Gemisys	$5,293.80		
Gillan's, Inc.	$105.00		x
Glenarm 1800 LLC	$14,879.42		
Global Crossing Telecommunication	$79.48		
Gregg and Dena Weeder	$38,000.00		
Harward Irrigation Systems	$206.41		
HMO Colorado/Anthem Blue Cross	$0.00		
Humana	$1,339.94		
IOS Capital	$4,617.12	1	
Jason Woods	$1,801.34		x
Jim Zamberry	$792.07		x
John Dehaas	$0.00		x
John Dominick	$0.00		x
Kelly McGuire	$2,500.00		
Land Title Guarantee Company	$1,358.00		x
Laurence Harte	$0.00		x
Lewan and Associates	$72.96		
Lucent Technologies	$164.98		
Manpower	$270.81		x
Marcelo Claure	$38,068.00		
MCI Worldcom	$121.61		x
MCI Worldcom	$0.00		x
Megan Hurley	$1,000.00		x
Merrill Lynch	$1,205.95		
Metrolist, Inc.	$268.25		x
Mike Daugherty	$1,483.58		x
Mine Development Association	$796.72		
Mitchell Financial Printing	$471.75		
Multi-Link Communications, Inc.	$1,680.78		x
Nations Lending Service	$4,935.13		x
Neal Mansi	$4,935.13		x
Nesios Lending Services	$475.00		x
Newcourt Leasing	$3,792.24		x
Next Direct, Inc.	$538.00		x
Nicky Dozortsev	$0.00	6	

EXHIBIT A

North Lily General Unsecured Creditors

Creditor	Claim	Proof of Claim No.	Subsidiary claim
Office Max	$241.82		x
On Time Messenger Service, Inc.	$30.00		x
Pacificare	$2,448.82		x
Pansing Law Office	$1,012.50		x
Patton Boggs	$48,523.74		
Paul Ruttum	$42,000.00		
Paul and Carol Spor	$4,500.00		
Paycheck, Inc.	$57.60		x
Phil Pankoff, P.C.	$1,720.00		
Pinnacol Insurance	$711.00		x
Pinnacle Performance Fund, Inc.	$75,000.00	7	Not on Sch. F
Pitney Bowes	$175.00		
Podoll & Podoll, P.C.	$1,095.50		x
PR Newswire (duplicate)	$4,365.00		x
PR Newswire	$4,385.00		x
Praxair	$317.14		
Public Storage	$109.00		
Qwest Communications	$6,099.66		x
Robert Kaufman/RAKG Partners, Inc.	$50,000.00	8	
Robert Robinson	$0.00		x
Rocky Mountain Business Products	$72.59		
Rocky Mountain News	$1,523.65		x
Rocky Mountain Realty Service	$395.00		x
Ron Cooper c/o James C. Fattor	$10,750.00		
Scott Simpkins	$15,000.00		
Sean Young	$0.00		x
Sharon Shirk, MRA	$3,000.00		
Sierra Springs	$363.55		x
Skyline Telecom	$127.81		
Smith Cageorge	$1,707.50		
Source Management, Inc.	$101.95		x
South Easter Place, LLC c/o Investors Properties, LLC	$25,000.00		x
Sprint	$298.67		x
State Farm Insurance	$66.49		x
Stephen E. Flechner	$139,955.00		
Steve Friberg	$35,225.00		
Structural Consultants, Inc.	$1,009.00		x
Summit Appraisal Service	$900.00		x
Teleglobe Business Solutions	$1,038.50		x
The Denver Post	$2,439.64		x
The Depository Trust Company	$3,675.00		
The Telephone Connection	$519.66	4	x
The Telephone Connection	$97.50	5	
Thelen, Marrin, Johnson	$155.00		
Thomas Financial Media	$172.26		x
TWA	$249.00		
U.S. Bank	$1,031.07		x

EXHIBIT A

North Lily General Unsecured Creditors

Creditor	Claim	Proof of Claim No.	Subsidiary claim
U.S. Postal Service	$2,000.00		x
U.S. West	$4,420.94		x
U.S. West	$15,266.86		x
U.S. West Conferencing Services	$28.38		x
Unique Litho, Inc.	$102.84		x
United Healthcare	$0.00		x
United Online International, Inc.	$95.70		x
US EPA	$0.00		x
Utah Power	$782.89		
Van Cott, et al.	$6,681.51	2	
Viking Office Products	$1,021.61		x
W. Gene Webb	$138,739.00		
Westword	$52.00		x
Wheeler Wasoff	$52,000.00		
Wood Appraisals	$1,750.00		x
Woodmen Accident and Life Company	$22,000.00		x
Yellowstrike Exploration	$19,768.00		
Total	**$1,189,747.59**		

Notes:

The creditors listed as subsidiary claims are not claims of North Lily, but instead are claims related to its subsidiary, Loanmining.com, of which North Lily is not liable. North Lily intends to amend its schedules showing this change. The total general unsecured debt less the Loanmining.com claims is approximately $983,026.

North Lily Mining Company
Pro Forma
Statment of Operations 2002

Monthly Projections		February	March	April	May	June	July	August	September	October	Novembe	Decembe	Total
Revenue *													
Land sales	$		12,265	153,040	106,235	264,000	670,420	947,200	84,150				2,237,310
Total revenues			12,265	153,040	106,235	264,000	670,420	947,200	84,150				2,237,310
Cost of sales													
Cost of land sales			827	31,520	23,673	50,100	125,620	127,520	15,895				375,155
50% Sharing per LOA				24,265	9,500	27,950	131,400	15,040	10,127				218,282
Net revenue	$	0	11,438	97,255	73,062	185,950	413,400	804,640	58,128				1,643,873
Operating expenses													
Bank charges		30	30	30	30	30	30	30	30	30	30	30	330
Health insurance		2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,850	2,850	2,850	2,850	29,600
Office rent	e	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,700	2,700	2,700	2,700	28,300
Storgage - files, equipment		400	109	109	109	109	109	400	109	109	337	109	2,009
Salaries & payroll taxes	a	12,950	12,950	12,950	12,950	12,950	12,950	12,950	15,250	15,250	15,250	15,250	151,650
Audit, legal, accounting	b	3,000	6,000	6,000	18,000	10,000	4,000	3,000	3,000	3,000	2,000	2,000	60,000
Business & travel expenses				1,000	1,000	1,000	1,000		1,000	1,000	1,000		7,000
Office expenses, supplies, etc.	d	400	350	300	300	300	400	375	250	300	275	300	3,550
Transfer agent - fees		1,100	1,100	1,100	1,100	1,100	1,000	1,000	975	1,100	1,000	1,100	11,675
Public relations shareholders'				500	500	500		15,000		500			17,000
Filing fees			100	750	750	750	750		100		100		3,300
Reclamation costs				1,500			1,500		1,000		1,000		5,000
Loan closing fees		5,110	2,160										7,270
Enivornmental costs		2,300	800	500	500	500	1,000		1,000				6,600
Total Operating Expenses		30,390	28,699	29,839	40,339	32,339	27,839	37,855	28,264	26,839	26,542	24,339	333,284
Operating Profit (loss)	$	(30,390)	(17,261)	67,416	32,723	153,611	385,561	801,640	29,864	(26,839)	(26,542)	(24,339)	1,345,444
Other income (expenses)													
Interest income					150	250	725	850					1,975
Interest expense	c	8,587	9,023	9,244	8,765	9,090	8,324	3,163	1,290				57,486
Other net	f·	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	22,000
Net profit (loss)	$	(36,977)	(24,284)	60,172	26,108	146,771	379,962	801,327	30,574	(24,839)	(24,542)	(22,339)	1,311,933
Provision for Income taxes	g												
*See attached land sales Sehedule													
see attached footnote for a, b, c, d,													
e,f,g													

EXHIBIT B

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North Lily Mining Company
Schedule Of Lands Sales

Land Sales -2002	# acres	Option price	Option purchase	Sales price/ acre	sales price	Cost of sale 10%	15% or $20/acre per LOA	50% split per LOA	net to NL
Southern 640	640	200	128,000	350	(224,000)	22,400	19,200	27,200	(155,200)
Middel Patch	374	75	48,000	225	(84,150)	8,415	7,480	10,127	(58,128)
Elberta Fee simple	1,760	425	748,000	500	(880,000)	88,000	26,400		(765,600)
Homansiville PMC	171	90	15,390	240	(41,040)	4,100	3,420	9,065	(24,455)
Mammoth/Slivercity PMC	640	90	57,600	175	(112,000)	11,200	12,800	15,200	(72,800)
Red Cross PMC	2,355	75	114,000	200	(471,000)	47,100	47,100	131,400	(245,400)
Paymaster	767	210	168,000	260	(199,420)	19,942	11,478		(168,000)
Eureka fee simple	210	300	63,000	450	(94,500)	9,450	9,450	6,300	(69,300)
Silver City fee simple	100	300	30,000	400	(40,000)	4,000	4,500	750	(30,750)
Southern Patch PMC	320	75	24,000	210	(67,200)	6,720	6,400	15,040	(39,040)
Northern Patch PMC	160	75	12,000	150	(24,000)	2,400	3,200	3,200	(15,200)
	7,497		1,407,990		(2,237,310)	223,727	151,428	218,282	(1,643,873)

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North Lily Mining Company
Footnotes to Statement of Operations 2002

a- total compensation for the officers is estimated to be $12,000 per month plus taxes, September includes a secretary/bookkeeper estimated to be $2,000 plus taxes per month

b - Hein & Associates retainer and the accounting bookkeeper costs are included in the estimated audit, legal, accounting expenses

c - includes interest for the Standard, Metwest, JBR and Prior secured loans as well as the unsecured loans

d - telephone expense are included in the office expenses and is approximately $175 to 225 per month. liability insurance was paid one year in advanced and expensed in October 2001.

e - the company currently has an office sharing arrangement with a company that pays $1,000 per month for office sharing

f - other income is the $2,000 per month that company charges Xeres Tintic LLC as a monthly management fee

g - the company has apporximately $19,000,000 in net operating loss carryovers which should be adequate to offset any taxable income the company may incur

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2002

Cash flow from operating activities		February	March	April	May	June	July
Net Profit (Loss)	$	(36,977)	(24,284)	60,172	26,106	146,771	379,962
Use of Funds *							
Payment to Creditors Holding Secured Claims							
Class X1 Old West Unnuity and Line Insurace Co.							
Class X2 Us Bank							108,624
Class NL3 Karen R. Prior							41,463
Class NL4 JBR Environmental Consultants, Inc.							71,954
Class NL6(b) Juab County Treasurer				3,250	1,000	1,000	1,702
Class NL6(a) Utah County Treasurer						4,464	11,000
Class NL2/X3 The Standard Group				587	636	641	646
Class NL Anaconda-Der Lodge County Treasurer							
Unsecured claims having priorty							
Class NL1 Department of Revenue Colorado							
Class NL1 IRS						9,365	9,365
Class NL1 Utah Tax Commission							
Total Use of Funds				3,837	1,636	15,470	244,754
Net cash provided (used) operating activities	$	(36,977)	(24,284)	56,335	24,470	131,301	135,208
Cash flows from finnacing activities							
Proceeds received from LOA agreement		32,500	17,735				
Proceeds received from issuance of stock							
Net cash provided by financing activities		32,500	17,735				
Net increase (decrease) in cash		(4,477)	(6,549)	56,335	24,470	131,301	135,208
Cash beginning of period		0	(4,477)	(11,026)	22,641	40,596	106,246
Class NL7 Payment to Unsecured Creditors				22,668	17,955	65,651	67,604
Cash end of period	$	(4,477)	(11,026)	44,693	29,156	106,246	173,850

*See Assupmtions

4/14

2002

Cash flow from operating activities	August	September	October	November	December	Total
Net Profit (Loss)	801,327	30,574	(24,839)	(24,542)	(22,339)	1,311,931
Use of Funds *						
Payment to Creditors Holding Secured Claims						
Class X1 Old West Unnuity and Line Insurace Co	619,197					619,197
Class X2 Us Bank						108,624
Class NL3 Karen R. Prior						41,463
Class NL4 JBR Environmental Consultants, Inc.						71,954
Class NL6(b) Juab County Treasurer						6,952
Class NL6(a) Utah County Treasurer	11,000					26,464
Class NL2/X3 The Standard Group	652	151,871				155,033
Class NL Anaconda-Der Lodge County Treasurer	1,468					1,468
Unsecured claims having priorty						
Class NL1 Department of Revenue Colorado	1,793					1,793
Class NL1 IRS	9,366					28,096
Class NL1 Utah Tax Commission	2,815					2,815
Total Use of Funds	646,291	151,871				1,063,859
Net cash provided (used) operating activities	155,036	(121,297)	(24,839)	(24,542)	(22,339)	248,072
Cash flows from finnacing activities						
Proceeds received from LOA agreement						50,235
Proceeds received from issuance of stock			500,000			500,000
Net cash provided by financing activities						550,235
Net increase (decrease) in cash	155,036	(121,297)	475,161	(24,542)	(22,339)	798,307
Cash beginning of period	173,850	275,342	154,045	629,106	604,564	798,307
Class NL7 Payment to Unsecured Creditors	53,544			0		227,422
Cash end of period	275,342	154,045	629,206	604,564	582,225	

*See Assupmtions

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North Lily Mining Company
Assumptions For
Pro Forma Statements

Assumptions for Land Sales:

The sale price per acre (see schedule attached to Statement of Operations for property sales) is based on past sales prices the Company has received for its properties, current negotiations with buyers and other sales by third parties of properties in the area. The Company has sold some of its properties in the range of $115 to as much as $3,000 per acre. These prices were achieved by combining selected parcels into attractive packages. The Company has now gone much further in preparing its lands for sale. In addition to dividing its Elberta fee land into 50 acre parcels, the Company has surveyed certain of its properties and placed flags on corner boundaries, and completed a phase I environmental site assessment. Also, the Company has nearly completed the extensive, detailed title confirmation work necessary to be able to obtain title insurance on its patented mining claims as well as on its fee lands. This was accomplished from August, 2001 through March, 2002 and has not only enhanced the value of the properties but will also expedite the sale closings.

The Company and The Standard Group now have an arrangement with a title insurance Company in Salt Lake City which is currently reviewing the title work in order to issue title insurance commitments on the properties. The Company, with the Standard Group, retained a real estate broker in Provo, Utah last November. This firm has been marketing and advertising the property in a variety of locations outside the Salt Lake City-Provo area. Their retail asking prices range from $350 to $1500 per acre (except for one block listed at $200 per acre). Due to the winter snow cover to date, they have only been able to show some of the properties, some of the time. Nevertheless, they have recently averaged 2 or 3 per week and already have prospective buyers. They are confident that they will now be able to show the property regularly and to accomplish sale of the properties this spring and summer at enhanced prices. The Company believes that its work, expenditures and arrangements accomplished over the past six months (instead of winter sales) will now be demonstrated to have increased the sale potential and sales prices of its properties.

Over the past eight years the Company has dealt with a number of large block prospective purchasers, all of whom were interested in auction level minimal pricing. During this time, the Company received offers to buy all its properties in one block in the range of $500,000 to $1,000,000. The Company now anticipates much higher pricing as a result of the division of the properties into attractive tailored parcels. The ranchers in the area would love to arrange for minimal priced purchases of the properties in bulk liquidation sales at $60 to $100 per acre. The Company has expended the time, work and costs to prepare the property for higher priced buyers who will create the heretofore missing element of competition necessary to expeditiously sell the property in parcels at good prices.

Cost of sales are based on the Letter of Agreement (LOA) with The Standard Group, LLC and other third party costs to compute net revenues.

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Assumptions for Operating Expenses:

Expenses are projected based on the average of the companies past expenses, lease agreements and letter agreements. Audit, legal, accounting are projected; legal expenses, Kutner Miller Kearns, P.C. $20,000,Patton Boggs $5,000, Audit Hein and Associates $18,000, bookkeeping accounting $12,000.

Assumption for Secured Debt Payment:

Based on the projected property sales and Net Profit for the year ended 2002 all of the secured and unsecured priority debt would be paid in 2002 (see attached secured Debt Schedule). The Company assumes Mr. Loud will exchange his debt for common shares of the Company. The Plan also offers the secured creditors an election to exchange all or a portion of their debt for common shares of the Company. The Company believes that some of these creditors may take this election.

Assumption for Payment to Unsecured Creditors:

This assumption is based on the three Options of the Plan (see attached Unsecured Creditors Schedule):

Option One - The unsecured creditors electing this options is based on past discussions whereby these companies indicated they would exchange their debt for common shares of the Company. Some of the creditors have taken common shares in the past for their services.

Option Two - The listed companies electing this option is based on the assumption that most of these companies would not elect to take Options One or Three due to the size of the company or the preference to accept only cash. Although some of these companies might elect one of the other two options.

Option Three - the companies electing this option is based on prior relations with these companies and they have taken shares for their services in the past. Some of these companies could also elect Option One.

Assumption for Equity Financing:

This assumption is based on the ongoing discussions with a number of investors that have been involved with the Company for some time. One group has indicated its desire to invest in the Company and the Company believes it will close this transaction this year. The Company is preparing a letter of intent to be completed and signed between the parties for a $500,000 investment. This financing would provide the working capital for the Company to proceed with business opportunities it is currently (or soon will be) reviewing.

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Schedule of Secured and Unsecured									
Priorty Creditors Payments									
North Lily									
Pro Forma Projections	Old West	US	Karen	JBR Eniv.	Juab	Utah	Theodore		
Payment to Secured Creditors	Life Ins.	Bank	Prior	Consultants	County	County	Loud		
					Auditor	Treasurer			
Due Per Schedule D	$553,000	$102,000	$37,000	$66,944	$9,382	$24,868	$15,000		$808,194
Add 7% interest sept 201 thur July 2002	$35,884		$2,374	$4,295	$602	$1,596	$1,100		$45,851
	$588,884	$102,000	$39,374	$71,239	$9,984	$26,464	$16,100		$854,045
Assume T. Loud will take shares/Plan	$588,884	$102,000	$39,374	$71,239	$9,984	$26,464	-$16,100		$821,845
Payment to Priority Creditors	Dept. Rev		IRS	IRS	Utah State	Anaconda-	S Flechner	W Webb	
	Colo		LMC	NL	Tax	Deer Lodge			
					Commission	County			
						Montana			
Due per Schedule E	$1,676		$25,846	$26,402	$2,645	$1,372	$4,300	$4,300	$66,541
Add 7% interest Sept 2001 thru July 2002	$117		$1,658	$1,694	$170	$96	$275	$275	$4,285
	$1,793		$27,504	$28,096	$2,815	$1,468	$4,575	$4,575	$70,826
Post Petition Loans	Standard								
	Group/								
	LOA								
	Sept. 2001	Dec.2001	Feb.2002	Feb. 20,2002	Mar. 5, 2002				
Loans	$16,300	$59,221	$20,000	$30,000	$30,000	$155,521			
Interest thru Mar 2003	$3,641	$7,803	$3,267	$4,200	$3,850	$22,761			
						$178,282			

North Lily Mining Company
Schedule of Unsecured Creditors Payments

Class NL7 Unsecured Creditiors	Claim	Option One all stock $1.00/share	Option two Cash $0.35/ dollar	Option three Cash $0.20/ dollar & rest in stock @ $1.00/share	Option 3 Shares @ $1.00/share
Creditor					
American Express	$29,739		$10,409		
Andy DiBattista	$27,974			$5,595	$22,380
Anthem Life	$0				
AT&T	$1,234		$432		
B.L. Berman	$18,900			$3,780	$15,120
Bearman, Talesnick & Cloudus	$9,097			$1,819	$7,278
Business Wire	$115		$40		
Chase Management	$5,617			$1,123	$4,492
Chemtech-Ford	$1,450		$508		
Coopers & Lybrand	$33,172	$33,172			
Corette Pohlman & Kebe	$9,471	$9,471			
CT Corporation Systems	$255		$89		
Data Safe	$823		$247		
Dean Witter Reynolds	$723		$253		
Dr. Sandeep Singla	$25,000			$5,000	$20,000
Ducker, M&L, P.C.	$11,600		$4,060		
Edgar by Knight	$594		$208		
Environmental Management Services	$7,740		$2,709		
ESA Consultants, Inc.	$2,825		$989		
Gemisys	$5,294		$1,853		
Glenarm 1800 LLC	$14,879		$5,208		
Gregg and Dena Weeder	$38,000			$7,600	$30,400
Harward Irrigation Systems	$206		$72		
HMO Colorado/Anthem Blue Cross	$0				
Humana	$1,340		$469		
IOS Capital	$4,617		$1,616		
Kelly McGuire	$2,500		$875		
Merrill Lynch	$1,206		$422		
Mine Development Association	$797		$279		
Mitchell Financial Printing	$472		$165		
Nicky Dozortsev	$0				
Patton Boggs	$48,524			$9,705	$38,819
Paul Ruttum	$42,000			$8,400	$33,600
Paul and Carol Spor	$4,500		$1,575		
Phil Pankoff, P.C.	$1,720			$344	$1,376
Pitney Bowes	$175		$61		

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North Lily Mining Company
Schedule of Unsecured Creditors Payments

Praxair	$317		$111		
Robert Kaufman/RAKG Partners, Inc.	$50,000		$17,500		
Ron Cooper c/o James C. Fattor	$10,750		$3,763		
Scott Simpkins	$15,000			$3,000	$12,000
Sharon Shirk, MRA	$3,000		$1,050		
Skyline Telecom	$128		$45		
Smith Cageorge	$1,110			$222	$888
Stephen E. Flechner	$139,955			$27,991	$111,964
The Depository Trust Company	$3,675		$1,286		
The Telephone Connection	$98		$34		
Utah Power	$783		$274		
Van Cott, et al.	$6,682		$2,339		
W. Gene Webb	$138,739			$27,748	$110,991
Wheller Wasoff	$52,000			$10,400	$41,600
Yellowstrike Exploration	$19,768			$3,954	$15,814
Subtotal	$794,561				
Marcelo Claure	$38,068			$7,614	$30,454
Steve Friberg	$35,227			$7,045	$28,182
Total	**$867,856**	**$42,643**	**$58,939**	**$131,340**	**$525,358**

10/14

North Lily mining Company
Pro Forma Statement Of Operations
January through December 2003

Monthly Projections		January	February	March	April	May	June	July	August	September	October	November	December	Total
Revenue														
Land sales	$	0	0	0	0	0	0	0	0	0	0	0	0	0
Total revenues														
Cost of sales														
Cost of land sales														
Net revenue	$	0	0	0	0	0	0	0	0	0	0	0	0	0
Operating expenses														
Bank charges		30	30	30	30	30	30	30	30	30	30	30	30	360
Health insurance		2,850	2,850	2,850	2,850	2,850	2,850	2,850	2,850	2,850	2,850	2,850	2,850	34,200
Office rent	e	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	32,400
Storgage - files, equipment		109	400	109	109	109	109	109	400	109	109	109	109	1,890
Salaries & payroll taxes	a	15,250	15,250	15,250	15,250	15,250	15,250	15,250	15,250	15,250	15,250	15,250	15,250	183,000
Audit, legal, accounting	b	3,000	3,000	9,000	800	800	300	1,500	500	800	3,000	1,000	500	24,200
Business & travel expenses		500	1,500	2,500	1,500	1,000	1,500	1,000	1,500	1,000	1,000	1,000	1,000	15,000
Office expenses, supplies, etc.	d	400	400	350	400	300	300	400	375	250	300	400	300	4,175
Transfer agent - fees		750	750	750	750	750	750	750	750	750	750	750	750	9,000
Public relations shareholders'					500	8,000	500	500	500	2,500	500			13,000
Filing fees		100		100		750	750	750		100				2,550
Reclamation costs								1,500		1,000	500			3,000
Enivornmental costs			2,300	800		500	500	1,000		1,000				6,100
Total Operating Expenses		25,689	29,180	34,439	24,889	33,039	25,539	28,339	24,855	28,339	26,989	24,089	23,489	328,875
Operating Profit (loss)	$	(25,689)	(29,180)	(34,439)	(24,889)	(33,039)	(25,539)	(28,339)	(24,855)	(28,339)	(26,989)	(24,089)	(23,489)	(328,875)
Other income (expenses)														
Interest income		1,000	1,200	1,200	1,100	600	500	500	400	300	1,000	1,000	1,000	9,800
Other net	f	0	0	0	0	0	0	0	0	0	0	0	0	0
Net profit (loss)	$	(24,689)	(27,980)	(33,239)	(23,789)	(32,439)	(25,039)	(27,839)	(24,455)	(28,039)	(25,989)	(23,089)	(22,489)	(319,075)
Provision for Income taxes		0	0	0	0	0	0	0	0	0	0	0	0	0
see attached footnote for a, b, c, d,														
e,f,g														

11/14

Footnotes

a - compensation for officers and secretary/bookkeeper is estimated to be $14,000 per month plus taxes.

b - Hein & Associates retainer and the accounting bookkeeper costs are included in the estimated audit, legal, accounting expenses

c - the company will raise its funding through equity offerings or convertible debentures

d - telephone expenses are included in the office expenses and is approximately $175 to 225 per month, paid one year in advance

e - the company currently has an office sharing arrangement with a company that pays $1,000 per month for this office sharing

f - as a result of the company selling all of its properties in Xeres the company will not receive any managements fees in 2003.

g - if the company does have net profits these would be offset by the remaining net loss carryover

12/14

North Lily Mining Company
Pro Forma Cash Flow Statement
January Through December 2003

Cash flow from operating activities		January	February	March	April	May	June	July	August	September	October	November	December	Total
Net Profit (Loss)		(24,689)	(27,980)	(33,239)	(23,789)	(32,439)	(25,039)	(27,839)	(24,455)	(28,039)	(25,989)	(23,089)	(22,489)	(319,075)
Use of Funds *														
Acquire concessions				200,000										200000
Net cash provided (used) perating activies	$	(24,689)	(27,980)	(233,239)	(23,789)	(32,439)	(25,039)	(27,839)	(24,455)	(28,039)	(25,989)	(23,089)	(22,489)	(519,075)
Cash flows from finnacing activities														
Proceeds received from issuance of stock										300,000				300,000
Net cash provided by financing activities														
Net increase (decrease) in cash		(24,689)	(27,980)	(233,239)	(23,789)	(32,439)	(25,039)	(27,839)	(24,455)	271,961	(25,989)	(24,542)	(22,489)	(220,528)
Cash beginning of period		582,225	557,536	529,556	296,317	296,317	263,878	238,839	173,850	149,395	421,356	395,367	370,825	(220,528)
Cash end of period	$	557,536	529,556	296,317	272,528	263,878	238,839	211,000	149,395	421,356	395,367	370,825	348,336	
*See Assupmtions														

13/14

North Lily Mining Company
Assumptions For
Pro Forma Statements
2003

Assumption – Gold is now making a turn in the market place with the price of gold recently rising to over $300 per ounce from a low of $255 in early 2001. There is renewed investor demand for established gold stocks and also for speculative issues. The Company has reviewed various gold exploration properties and concession in the US, Canada, Mexico and West Africa during the past four years looking for "frontier" type gold exploration areas. As a result of this work the Company has prioritized certain under explored regions in Africa where the Company expects to make applications for exploration licenses.

The Company has maintained its relations with investment bankers and private companies that finance gold projects both in the US and Canada. The Company believes the acquisition of the African exploration licenses, or alternative other exploration properties that it may identify, will enable the Company to raise from $500,000 to $1,000,000 private equity financing.

The estimated $200,000 in March 2003 is budgeted for property acquisition. The above-mentioned financing would provide working capitol. The Company may also use its stock to acquire properties or enter into joint ventures with other companies. Upon acquiring the license or concession the Company will start the work on these projects. The Company will also start its efforts to raise additional $300,000 to $500,000 in the fall of 2003. This strategy is common for all junior exploration companies.

In addition the Company is still communicating with private oil and gas companies to acquire producing properties by the issuance of common stock.

North Lily Mining Company
Balance Sheet

dated Septembe 27, 2001

		UNAUDITED August 31, 2001 (Unaudited)
ASSETS		
Current Assets		
Cash	$	10,103
Accounts receivable		95,115
Other		11,786
Total Current Assets		117,004
Property and equipment, net		56,932
Land		656,551
Reclamation bond		32,500
Notes Receivable		123,956
Other note 1		640,000
	$	1,626,943
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable		369,024
Notes payable		317,585
Reclamation liabilities		32,500
Convertible notes		86,747
Total Current Liabilities		805,856
Notes payable		553,850
Due to officers		287,294
Total Liabilities		1,647,000
Stockholders' Equity		
Common stock, $0.10 par value; authorized 30,000,000 shares; issues and outstandings - 5,0002,122 (December 31, 1999), 15,863,403 (December 31, 2000) and 18,604,932 shares (August 31, 2001)		1,836,736
Additional paid-in-capital		53,328,956
Common stock subscribed		(125,000)
Accumulated (deficit)		(55,060,749)
Total Stockholders' Equity		(20,057)
	$	1,626,943

Note 1
North Lily issued shares to companies that were to perform public relations, consulting, shareholder communication.
The shares were issued January and February 2001 and the services were never performed. As a result the company has classified the value of the agreements, based on the market trading price the date of the agreement, as Other in the asset section of the balance sheet. The Company takes the position that these companies have to now pay for the shares, based on the market trading price of the shares at the date of the agreements were signed , or return the issued shares to the Company for nonperformance of the agreements.

EXHIBIT C

NORTH LILY MINING COMPANY AND SUBSIDIARIES
Statement of operations
dated September 21, 2001

	Unaudited Period ended August 31, 2001
Revenue	
Land sales	56,915
Total Revenue	56,915
Cost of sales	
Cost of land sales	20,300
Net profit	36,615
Operating expenses	
General and administrative	386,255
Silver City Project	225,808
Operating (Loss)	(575,448)
Other income (expenses)	
Interest expense	(61,995)
Write off subsidiaries	(1,052,424)
Other, net	160,610
	(953,809)
Net (loss)	(1,529,257)

	XERES TINTIC LLC			
	STATEMENT OF OPERATIONS			
	January 1 through August 31. 2001			
Revenue:				
Land Sales				0
Cost of sales				
Land cost				
Recording fees				
Total Revenue				0
Expenses:				
Property taxes				2,500.00
Mangement fee				16,000.00
Total Expenses				18,500.00
Net Income (Loss)				(18,500.00)

XERES TINTIC LLC				
BALANCE SHEET				
AS OF AUGUST 31, 2001				
Assets				
Accounts Receivable				
Other				12,500.00
Toal Curent Assets				445.00
				12,945.00
Property				
Land				842,840.00
Other				12,500.00
Accounts receivable note 1				553,850.00
Total assets				1,422,135.00
Liabilities and Equity				
Liabilities				
Accounts Payable				42,500.00
Notes Payable note 1				553,850.00
Total Liabilities				596,350.00
Equity				
North Lily Mining Company				669,995.00
Minority				(5,698.00)
Net income				161,488.00
Total Liabilities and Equity				1,422,135.00

Attachment to Form 2-C

North Lily Mining Company
Balance Sheet

		UNAUDITED September, 30 2001 (Unaudited)
ASSETS		
Current Assets		
Cash See Note 2	$	32,821
Accounts receivable		45,700
Other		11,789
Total Current Assets		90,310
Property and equipment, net		56,932
Land		658,551
Reclamation bond		32,500
Notes Receivable		123,956
Other See Note 1		640,000
Total Assets	$	1,602,249
LIABILITIES AND STOCKHOLDERS' EQUITY		
Post Petition Liabilities:		
Accounts Payable		
Notes Payable		
Rents and leeses Payable		
Taxes Payable		
Accrued Interest		9,808
Other		
Total Post Petition Liabilities		9,808
Pre-Petition Liabilities:		
Priorty Claims		37,647
Secured Debt		825,344
Unsecured Debt		784,009
Total Pre-Petition Liabilities		1,647,000
Stockholders' Equity		
Common stock, $0.10 par value; authorized 30,000,000 shares; issues and outstandings - 5,0002,122 (December 31, 1999), 15,863,403 (December 31, 2000) and 18,604,932 shares (August 31, 2001)		1,836,736
Additional paid-in-capital		53,328,956
Common stock subscribed		(125,000)
Retained Earnings:		
Pre Petition		(55,063,720)
Post Petition		(31,531)
Total Stockholders' Equity		(54,559)
Total Liabilities and Stockhodlers'	$	1,602,249

EXHIBIT D

Note 1

North Lily issued shares to companies that were to perform public relations, consulting, shareholder communication.

The shares were issued January and February 2001 and the services were never performed. As a result the company has classified the value of the agreements, based on the market trading price the date of the agreement, as Other in the asset section of the balance sheet. The Company takes the position that these companies have to now pay for the shares, based on the market trading price of the shares at the date of the agreements were signed , or return the issued shares to the Company for nonperformance of the agreements.

Note 2

Cash balance of $32,821 includes a CD of $1371 for reclamation bond with the State of Montana.

Attachment to Form 2-A

North Lily Mining Company
Profit and Loss
September 6 - 30, 2001

	Sep 6 - 30, '01
Ordinary Income/Expense	
Expense	
6064 · - interest expense	9,432.00
Administrative Expenses	
Employee Health	2,358.14
Office	
6090 · Postage, Freight, a...	121.33
6130 · Office Operations	57.77
6170 · Sharehldr Comm Costs	90.00
Total Office	269.10
6060 · Bank Charges	20.00
6122 · G Webb & S Flechner - ...	20,000.00
6180 · Transfer Agents' Fees	1,124.80
6200 · Telephone	327.00
Total Administrative Expenses	24,099.04
6999 · Uncategorized Expenses	0.00
Total Expense	33,531.04
Net Ordinary Income	-33,531.04
Other Income/Expense	
Other Income	
Other Income Control	
4700 · Miscellaneous Income	2,000.00
Total Other Income Control	2,000.00
Total Other Income	2,000.00
Net Other Income	2,000.00
Net Income - Loss	-31,531.04

Attachment to Form 2-C

North Lily Mining Company
Balance Sheet

		UNAUDITED
		October 31, 2001
		2001
		(Unaudited)
ASSETS		
Current Assets		
Cash See Note 2	$	18,433
Accounts receivable		45,700
Other		12,784
Total Current Assets		76,917
Property and equipment, net		56,931
Land		644,541
Reclamation bond		32,500
Notes Receivable		123,960
Other See Note 1		640,000
Total Assets	$	1,574,849
LIABILITIES AND STOCKHOLDERS' EQUITY		
Post Petition Liabilities:		
Accounts Payable		30,318
Notes Payable		
Rents and leeses Payable		
Taxes Payable		
Accrued Interest		18,864
Other		
Total Post Petition Liabilities		49,182
Pre-Petition Liabilities:		
Priorty Claims		37,647
Secured Debt		834,344
Unsecured Debt		755,372
Total Pre-Petition Liabilities		1,627,363
Stockholders' Equity		
Common stock, $0.10 par value; authorized 30,000,000 shares; issues and outstandings - 5,0002,122 (December 31, 1999), 15,863,403 (December 31, 2000) and 18,604,932 shares (August 31, 2001)		1,836,736
Additional paid-in-capital		53,328,956
Common stock subscribed		(125,000)
Retained Earnings:		
Pre Petition		(55,063,720)
Post Petition		(78,668)
Total Stockholders' Equity		(101,696)
Total Liabilities and Stockhodlers'	$	1,574,849

Note 1

North Lily issued shares to companies that were to perform public relations, consulting, shareholder communication.
The shares were issued January and February 2001
and the services were never performed. As a result the company has classified the value of the agreements, based on the market trading price the date of the agreement, as Other in the asset section of the balance sheet. The Company takes the position that these companies have to now pay for the shares, based on the market trading price of the shares at the date of the agreements were signed , or return the issued shares to the Company for nonperformance of the agreements.

Note 2

Cash balance of $32,821 includes a CD of $1371 for reclamation bond with the State of Montana.

12/07/01

North Lily Mining Company
Profit and Loss
October 2001

	Oct '01 - Oct 31
Ordinary Income/Expense	
Expense	
6064 · - interest expense	9,432.00
Administrative Expenses	
6065 · Bankruptcy costs	500.00
Employee Health	2,667.09
Insurance	3,698.32
Office	
6090 · Postage, Freight, a...	31.52
6130 · Office Operations	1,220.66
6160 · Filing Fees	250.00
Total Office	1,502.18
6110 · Office Rent	6,613.07
6122 · G Webb & S Flechner - ...	20,000.00 ?
6165 · Storage	427.61
6180 · Transfer Agents' Fees	1,197.21
6200 · Telephone	181.92
Total Administrative Expenses	36,787.40
6560 · Payroll Expenses	918.00
6999 · Uncategorized Expenses	0.00
Total Expense	47,137.40
Net Ordinary Income	-47,137.40
Net Income	-47,137.40

Attachment to Form 2-C

North Lily Mining Company
Balance Sheet

	UNAUDITED
	November 30,2001
	2001
	(Unaudited)
ASSETS	
Current Assets	
Cash	$ 1,573
Accounts receivable	45,700
Other	12,784
Total Current Assets	60,057
Property and equipment, net	56,932
Land	646,541
Reclamation bond	32,500
Notes Receivable	123,960
Other See Note 1	640,000
Total Assets	$ 1,559,990
LIABILITIES AND STOCKHOLDERS' EQUITY	
Post Petition Liabilities:	
Accounts Payable see item #5 Form 2-G	48,091
Notes Payable	
Rents and leases payable	
Taxes Payable	
Accrued Interest	1,365
Other	
Total Post Petition Liabilities	49,456
Pre-Petition Liabilities:	
Priorty Claims	37,647
Secured Debt see item #5 Form 2-G	834,344
Unsecured Debt	756,541
Total Pre-Petition Liabilities	1,628,532
Stockholders' Equity	
Common stock, $0.10 par value; authorized 30,000,000 shares; issues and outstandings - 5,0002,122 (December 31, 1999), 15,863,403 (December 31, 2000) and 18,604,932 shares (August 31, 2001)	1,836,736
Additional paid-in-capital	53,328,956
Common stock subscribed	(125,000)
Retained Earnings:	
Pre Petition	(55,063,720)
Post Petition	(94,970)
Total Stockholders' Equity	(117,998)
Total Liabilities and Stockhodlers'	$ 1,559,990

Note 1

North Lily issued shares to companies that were to perform public relations, consulting, shareholder communication.

The shares were issued January and February 2001 and the services were never performed. As a result the company has classified the value of the agreements, based on the market trading price the date of the agreement, as Other in the asset section of the balance sheet. The Company takes the position that these companies have to now pay for the shares, based on the market trading price of the shares at the date of the agreements were signed , or return the issued shares to the Company for nonperformance of the agreements.

Attachment to Form 2-D

North Lily Mining Company
Profit and Loss Statement
November 1 through November 30, 2001
Unaudited

Ordinary Income/Expense	
Expense	
6064 · - interest expense	501.00
Employee Health	2,481.00
6130 · Office Operations	1,534.00
6160 · Filing Fees	100.00
6190 · Travel	750.00
6060 · Bank Charges	6.00
6110 · Office Rent	3,699.00
6122 · G Webb & S Flechner - Salaries	20,000.00
6165 · Storage	124.00
6200 · Telephone	581.00
Total Administrative Expenses	29,776.00
Operating Expenses	
Reclamation Costs	4,316.00
Environmental Costs	1,750.00
Total Operating Expenses	6,066.00
6500 · Miscellaneous Expense	(2,000.00)
6560 · Payroll Expenses	459.00
6999 · Uncategorized Expenses	0.00
Total Expense	34,301.00
Net Income - (Loss)	(34,301.00)

Attachment to Form 2-C

North Lily Mining Company
Balance Sheet

		December 31, 2001 (Unaudited)
ASSETS		
Current Assets		
Cash	$	6,087
Accounts receivable		45,700
Other		12,839
Total Current Assets		64,626
Property and equipment, net		56,932
Land		648,541
Reclamation bond		32,500
Notes Receivable		123,960
Other See Note 1		640,000
Total Assets	$	1,566,559
LIABILITIES AND STOCKHOLDERS' EQUITY		
Post Petition Liabilities:		
Accounts Payable see item # 3 Form 2-G		61,555
Notes Payable see item #11 Form 2-G		55,015
Rents and leases payable		
Taxes Payable		
Accrued Interest		1,796
Total Post Petition Liabilities		118,366
Pre-Petition Liabilities:		
Priorty Claims		37,647
Secured Debt see item #3 Form 2-G		834,344
Unsecured Debt		756,541
Total Pre-Petition Liabilities		1,746,898
Stockholders' Equity		
Common stock, $0.10 par value; authorized 30,000,000 shares; issues and outstandings - 5,0002,122 (December 31, 1999), 15,863,403 (December 31, 2000) and 18,604,932 shares (August 31, 2001)		1,836,736
Additional paid-in-capital		53,328,956
Common stock subscribed		(125,000)
Retained Earnings:		
Pre Petition		(55,063,720)
Post Petition		(157,311)
Total Stockholders' Equity		(180,339)
Total Liabilities and Stockh	$	1,566,559

Note 1

North Lily issued shares to companies that were to perform public relations, consulting, shareholder communication.

The shares were issued January and February 2001 and the services were never performed. As a result the company has classified the value of the agreements, based on the market trading price the date of the agreement, as Other in the asset section of the balance sheet. The Company takes the position that these companies have to now pay for the shares, based on the market trading price of the shares at the date of the agreements were signed , or return the issued shares to the Company for nonperformance of the agreements.

Attachment to Form 2-D

North Lily Mining Company
Profit and Loss Statement
December 1 through December 31, 2001
Unaudited

Ordinary Income/Expense	
Expense	
6064 · - interest expense	$ 431.00
Employee Health	2,481.00
6130 Office Operations	902.00
6060 · Bank Charges	15.00
6110 · Office Rent	3,674.00
6122 · G Webb & S Flechner - Salaries	20,000.00
6165 · Storage	109.00
6180 Transfer Agents' Fees	1,197.00
6600 - Loan Closing Fees see item # 11 Form 2-G	7,851.00
Total Administrative Expenses	36,660.00
Operating Expenses	
7006 - Property Sale Costs -	
title, survey, environmental, site inspection - see item # 11 Form 2-G	27,164.00
Environmental Costs	113.00
Total Operating Expenses	27,277.00
6560 · Payroll Expenses	459.00
Total Expense	64,396.00
Other Income	
4700 - Miscellaeous Income	2,055.00
Net Income - (Loss)	$ (62,341.00)

Attachment to Form 2-C

North Lily Mining Company
Balance Sheet

		January 31, 2001 (Unaudited)
ASSETS		
Current Assets		
Cash	$	(2,372)
Accounts receivable		45,700
Other		12,839
Total Current Assets		56,167
Property and equipment, net		56,932
Land		650,542
Reclamation bond		32,500
Notes Receivable		123,960
Other See Note 1		640,000
Total Assets	$	1,560,101
LIABILITIES AND STOCKHOLDERS' EQUITY		
Post Petition Liabilities:		
Accounts Payable see item # 3 Form 2-G		85,645
Notes Payable see item #11 Form 2-G		55,798
Rents and leases payable		
Taxes Payable		
Accrued Interest		2,227
Total Post Petition Liabilities		143,670
Pre-Petition Liabilities:		
Priorty Claims		37,647
Secured Debt see item #3 Form 2-G		834,344
Unsecured Debt		756,541
Total Pre-Petition Liabilities		1,772,202
Stockholders' Equity		
Common stock, $0.10 par value; authorized 30,000,000 shares; issues and outstandings - 5,0002,122 (December 31, 1999), 15,863,403 (December 31, 2000) and 18,604,932 shares (August 31, 2001)		1,836,736
Additional paid-in-capital		53,328,956
Common stock subscribed		(125,000)
Retained Earnings:		
Pre Petition		(55,063,720)
Post Petition		(189,073)
Total Stockholders' Equity		(212,101)
Total Liabilities and Stockhodlers'	$	1,560,101

Note 1

North Lily issued shares to companies that were to perform public relations, consulting, shareholder communication.
The shares were issued January and February 2001
and the services were never performed. As a result the company has classified the value of the agreements, based on the market trading price the date of the agreement, as Other in the asset section of the balance sheet. The Company takes the position that these companies have to now pay for the shares, based on the market trading price of the shares at the date of the agreements were signed , or return the issued shares to the Company for nonperformance of the agreements.

Attachment to Form 2-D

North Lily Mining Company
Profit and Loss Statement
January 1 through January 31, 2002
Unaudited

Ordinary Income/Expense	
Expense	
6064 · - interest expense	$ 431.00
Employee Health	2,481.00
6090 - Postage, Freight, and Delivery	25.00
6130 Office Operations	760.00
6160 - Filing Fees	204.00
6030 - Audit and Legal	347.00
6060 · Bank Charges	26.00
6110 · Office Rent	3,674.00
6122 · G Webb & S Flechner - Salaries	20,000.00
6165 · Storage	109.00
6180 Transfer Agents' Fees	1,768.00
Copier, Fax	697.00
6200 - Telephone	399.00
Total Administrative Expenses	30,921.00
Operating Expenses	
Reclamation Costs	1,500.00
Environmental Costs	1,341.00
Total Operating Expenses	2,841.00
Total Expense	33,762.00
Other Income	
4700 - Miscellaeous Income	2,000.00
Net Income - (Loss)	$ 31,762.00

North Lily Mining Company
Balance Sheet

Attachment to Form 2-C

		February,28 2002 (Unaudited)
ASSETS		
Current Assets		
Cash	$	4,813
Accounts receivable		45,700
Other		12,840
Total Current Assets		63,353
Property and equipment, net		56,932
Land		652,279
Reclamation bond		32,500
Notes Receivable		123,960
Other See Note 1		640,000
Total Assets	$	1,569,024
LIABILITIES AND STOCKHOLDERS' EQUITY		
Post Petition Liabilities:		
Accounts Payable see item # 3 Form 2-G		85,800
Notes Payable see item #11 Form 2-G		134,905
Rents and leases payable		
Taxes Payable		
Accrued Interest		2,657
Total Post Petition Liabilities		223,362
Pre-Petition Liabilities:		
Priorty Claims		37,647
Secured Debt see item #3 Form 2-G		834,344
Unsecured Debt		756,541
Total Pre-Petition Liabilities		1,851,894
Stockholders' Equity		
Common stock, $0.10 par value; authorized 30,000,000 shares; issues and outstandings - 5,0002,122 (December 31, 1999), 15,863,403 (December 31, 2000) and 18,604,932 shares (August 31, 2001)		1,836,736

North Lily Mining Company
Balance Sheet

Additional paid-in-capital		53,328,956
Common stock subscribed		(125,000)
Retained Earnings:		
Pre Petition		(55,063,720)
Post Petition		(259,842)
Total Stockholders' Equity		(282,870)
Total Liabilities and Stockhodlers'	$	1,569,024

Note 1

North Lily issued shares to companies that were to perform public relations, consulting, shareholder communication.

The shares were issued January and February 2001 and the services were never performed. As a result the company has classified the value of the agreements, based on the market trading price the date of the agreement, as Other in the asset section of the balance sheet. The Company takes the position that these companies have to now pay for the shares, based on the market trading price of the shares at the date of the agreements were signed , or return the issued shares to the Company for nonperformance of the agreements.

North Lily Mining Company
Profit and Loss Statement
February 1 through February 28, 2002
Unaudited

Attachment to Form 2-D

Ordinary Income/Expense		
Expense		
6600 - Loan Closing costs	$	5,109.00
6064 · - interest expense		431.00
6065 · Bankruptcy costs		769.00
6035 - Bankruptcy Attoney's		5,574.00
Employee Health		2,605.00
6090 · Postage, Freight, and Delivery		222.00
6130 · Office Operations		893.00
6030 · Audit and Legal		500.00
6110 · Office Rent		4,200.00
6122 - Salaries		20,000.00
6165 · Storage		400.00
6180 · Transfer Agents' Fees		3,803.00
6200 · Telephone		373.00
Total Administrative Expenses		44,879.00
Operating Expenses		
6560 · Payroll Expenses		1,324.00
Environmental Costs		2,399.00
Total Operating Expenses		3,723.00
Total Expense		48,602.00
Other Income		
4700 · Miscellaneous Income		2,000.00
Net Income - (Loss)	$	(46,602.00)

XERES TINTIC LLC
BALANCE SHEET

	Unaudited September 30, 2001
Assets	
Accounts Receivable	12,500.00
Other	445.00
Toal Curent Assets	12,945.00
Property	
Land	842,840.00
Other	12,500.00
Total assets	868,285.00
Liabilities and Equity	
Post Petition Liabilities:	
Accounts Payable	2,000.00
Notes Payable see notes 1&2	
Total Post Petition Liabilities	2,000.00
Pre-Petition Liabilities:	
Priorty Claims	
Unsecured Debt	42,500.00
Total Pre-Petition Liabilities	42,500.00
Equity	
North Lily Mining Company	669,995.00
Minority	(5,698.00)
Net income	
Pre-Petition	161,488.00
Post Petition	(2,000.00)
Total Owners' Equity	823,785.00
Total Liabilities and Equity	868,285.00

Xeres Tintic LLC
Xeres Tintic LLC
Notes to Financial Statements
Note 1
Xeres owns the fee lands that were used to secure a $545,000.00 loan and a second loan of $102,000.00 on the behalf of North Lily. North Lily is also a party to these loans. Xeres set up a receivable form North Lily, as North Lily received funds.

Note 2
Xeres ,recorded the debt described in Note 1 above in the 31 August 2001 financial statements. North Lily also recorded the said debt in its 31 August 2001 financial statements. To avoid confusion and double accounting of the debt, Xeres has removed the said debt and the receivable from North Lily from its financial statements. North Lily will show the debt in its financial statements.

XERES TINTIC LLC
STATEMENT OF OPERATIONS
September 6 Through September 30, 2001
UNAUTDITED

Revenue:	
Land Sales	0
Cost of sales	
Land cost	
Recording fees	
Total Revenue	0
Expenses:	
Mangement fee	2,000.00
Total Expenses	2,000.00
Net Income (Loss)	(2,000.00)

XERES TINTIC LLC
BALANCE SHEET

		Unaudited October 31, 2001
Assets		
Cash	$	287.00
Accounts Receivable		0.00
Other		445.00
Toal Curent Assets		732.00
Property		
Land		842,840.00
Other		12,500.00
Total assets	$	856,072.00
Liabilities and Equity		
Post Petition Liabilities:		
Accounts Payable	$	4,300.00
Notes Payable see notes 1&2		
Total Post Petition Liabilities		4,300.00
Pre-Petition Liabilities:		
Priorty Claims		
Unsecured Debt		30,000.00
Total Pre-Petition Liabilities		30,000.00
Equity		
North Lily Mining Company		669,995.00
Minority		(5,698.00)
Net income		
Pre-Petition		161,488.00
Post Petition		(4,013.00)
Total Owners' Equity		821,772.00
Total Liabilities and Equity	$	856,072.00

Xeres Tintic LLC
Xeres Tintic LLC
Notes to Financial Statements
Note 1
Xeres owns the fee lands that were used to secure a $545,000.00 loan and a second loan of $102,000.00 on the behalf of North Lily. North Lily is also a party to these loans. Xeres set up a receivable form North Lily, as North Lily received funds.

Note 2
Xeres ;recorded the debt described in Note 1 above in the 31 August 2001 financial statements. North Lily also recorded the said debt in its 31 August 2001 financial statements. To avoid confusion and double accounting of the debt, Xeres has removed the said debt and the receivable from North Lily from its financial statements. North Lily will show the debt in its financial statements.

XERES TINTIC LLC
STATEMENT OF OPERATIONS
Ocotber1 through October 31,2001
UNAUTDITED

Revenue:		
Land Sales	$	0
Cost of sales		
Land cost		
Recording fees		
Total Revenue		0
Expenses:		
Bank Charge		13.00
Mangement fee		2,000.00
Total Expenses		2,013.00
Net Income (Loss)	$	(2,013.00)

Form 2-C Attachment

XERES TINTIC LLC
BALANCE SHEET

		Unaudited November 30, 2001
Assets		
Cash	$	277.00
Accounts Receivable		0.00
Other		445.00
Toal Curent Assets		722.00
Property		
Land		842,840.00
Other		12,500.00
Total assets	$	856,062.00
Liabilities and Equity		
Post Petition Liabilities:		
Accounts Payable	$	6,300.00
Notes Payable see notes 1&2		
Total Post Petition Liabilities		6,300.00
Pre-Petition Liabilities:		
Priorty Claims		
Unsecured Debt		30,000.00
Total Pre-Petition Liabilities		30,000.00
Equity		
North Lily Mining Company		669,995.00
Minority		(5,698.00)
Net income		
Pre-Petition		161,488.00
Post Petition		(6,023.00)
Total Owners' Equity		819,762.00
Total Liabilities and Equity	$	856,062.00

Form 2-C Attachment
Xeres Tintic LLC
Xeres Tintic LLC
Notes to Financial Statements

Note 1

Xeres owns the fee lands that were used to secure a $545,000.00 loan and a second loan of $102,000.00 on the behalf of North Lily. North Lily is also a party to these loans. Xeres set up a receivable form North Lily, as North Lily received funds.

Note 2

Xeres ;recorded the debt described in Note 1 above in the 31 August 2001 financial statements. North Lily also recorded the said debt in its 31 August 2001 financial statements. To avoid confusion and double accounting of the debt, Xeres has removed the said debt and the receivable from North Lily from its financial statements. North Lily will show the debt in its financial statements.

Form 2-C Attachment

Xeres Tintic LLC
November1 through November 30, 2001
Profit and Loss Statement
Unaudited

Revenue:		
Land Sales	$	0
Cost of sales		
Land cost		
Recording fees		
Total Revenue		0
Expenses:		
Bank Charge		9.80
Mangement fee		2,000.00
Total Expenses		2,009.80
Net Income (Loss)	$	(2,009.80)

Form 2-C Attachment

XERES TINTIC LLC
BALANCE SHEET

		Unaudited December 31, 2001
Assets		
Cash	$	277.00
Other		445.00
Toal Curent Assets		722.00
Property		
Land		842,840.00
Other		12,500.00
Total assets	$	856,062.00
Liabilities and Equity		
Post Petition Liabilities:		
Accounts Payable	$	8,300.00
Notes Payable see notes 1&2		
Total Post Petition Liabilities		8,300.00
Pre-Petition Liabilities:		
Priorty Claims		
Unsecured Debt		30,000.00
Total Pre-Petition Liabilities		30,000.00
Equity		
North Lily Mining Company		669,995.00
Minority		(5,698.00)
Net income		
Pre-Petition		161,488.00
Post Petition		(8,023.00)
Total Owners' Equity		817,762.00
Total Liabilities and Equity	$	856,062.00

Form 2-C Attachment
Xeres Tintic LLC
Xeres Tintic LLC
Notes to Financial Statements
Note 1
Xeres owns the fee lands that were used to secure a $545,000.00 loan and a second loan of $102,000.00 on the behalf of North Lily. North Lily is also a party to these loans. Xeres set up a receivable form North Lily, as North Lily received funds.

Note 2
Xeres ;recorded the debt described in Note 1 above in the 31 August 2001 financial statements. North Lily also recorded the said debt in its 31 August 2001 financial statements. To avoid confusion and double accounting of the debt, Xeres has removed the said debt and the receivable from North Lily from its financial statements. North Lily will show the debt in its financial statements.

Form 2-C Attachment

Xeres Tintic LLC
December 1 through December 31, 2001
Profit and Loss Statement
Unaudited

Revenue:	
Land Sales	$ 0
Cost of sales	
Land cost	
Recording fees	
Total Revenue	0
Expenses:	
Bank Charge	9.80
Mangement fee	2,000.00
Total Expenses	2,009.80
Net Income (Loss)	$ (2,009.80)

Form 2-C Attachment

XERES TINTIC LLC
BALANCE SHEET

		Unaudited January 31, 2002
Assets		
Cash	$	258.00
Other		445.00
Toal Curent Assets		703.00
Property		
Land		842,840.00
Other		12,500.00
Total assets	$	856,043.00
Liabilities and Equity		
Post Petition Liabilities:		
Accounts Payable	$	10,300.00
Notes Payable see notes 1&2		
Total Post Petition Liabilities		10,300.00
Pre-Petition Liabilities:		
Priorty Claims		
Unsecured Debt		30,000.00
Total Pre-Petition Liabilities		30,000.00
Equity		
North Lily Mining Company		669,995.00
Minority		(5,698.00)
Net income		
Pre-Petition		161,488.00
Post Petition		(10,042.00)
Total Owners' Equity		815,743.00
Total Liabilities and Equity	$	856,043.00

Form 2-C Attachment
Xeres Tintic LLC
Xeres Tintic LLC
Notes to Financial Statements
Note 1
Xeres owns the fee lands that were used to secure a $545,000.00 loan and a second loan of $102,000.00 on the behalf of North Lily. North Lily is also a party to these loans. Xeres set up a receivable form North Lily, as North Lily received funds.

Note 2
Xeres ;recorded the debt described in Note 1 above in the 31 August 2001 financial statements. North Lily also recorded the said debt in its 31 August 2001 financial statements. To avoid confusion and double accounting of the debt, Xeres has removed the said debt and the receivable from North Lily from its financial statements. North Lily will show the debt in its financial statements.

Form 2-C Attachment

Xeres Tintic LLC
January 1 through January 31,2002
Profit and Loss Statement
Unaudited

Revenue:		
Land Sales	$	0
Cost of sales		
Land cost		
Recording fees		
Total Revenue		0
Expenses:		
Bank Charge		19.00
Mangement fee		2,000.00
Total Expenses		2,019.00
Net Income (Loss)	$	(2,019.00)

Form 2-C Attachment

XERES TINTIC LLC
BALANCE SHEET

		Unaudited February 28, 2002
Assets		
Cash	$	248.00
Other		445.00
Toal Curent Assets		693.00
Property		
Land		842,840.00
Other		12,500.00
Total assets	$	856,033.00
Liabilities and Equity		
Post Petition Liabilities:		
Accounts Payable	$	12,550.00
Notes Payable see notes 1&2		
Total Post Petition Liabilities		12,550.00
Pre-Petition Liabilities:		
Priorty Claims		
Unsecured Debt		30,000.00
Total Pre-Petition Liabilities		30,000.00
Equity		
North Lily Mining Company		669,995.00
Minority		(5,698.00)
Net income		
Pre-Petition		161,488.00
Post Petition		(12,302.00)
Total Owners' Equity		813,483.00
Total Liabilities and Equity	$	856,033.00

Form 2-C Attachment
Xeres Tintic LLC
Xeres Tintic LLC
Notes to Financial Statements

Note 1

Xeres owns the fee lands that were used to secure a $545,000.00 loan and a second loan of $102,000.00 on the behalf of North Lily. North Lily is also a party to these loans. Xeres set up a receivable form North Lily, as North Lily received funds.

Note 2

Xeres ;recorded the debt described in Note 1 above in the 31 August 2001 financial statements. North Lily also recorded the said debt in its 31 August 2001 financial statements. To avoid confusion and double accounting of the debt, Xeres has removed the said debt and the receivable from North Lily from its financial statements. North Lily will show the debt in its financial statements.

Form 2-C Attachment

Xeres Tintic LLC
February 1 through February 28, 2002
Profit and Loss Statement
Unaudited

Revenue:		
Land Sales	$	0
Cost of sales		
Land cost		
Recording fees		
Total Revenue		0
Expenses:		
US Trustee fee		250.00
Bank Charge		9.80
Mangement fee		2,000.00
Total Expenses		2,259.80
Net Income (Loss)	$	(2,259.80)

EXHIBIT E
Liquidation Analysis
North Lily

ASSETS

<u>Real Estate</u>:

Value at 60 day liquidation sale[1]	$288,400
Less secured claims	
The Standard Group/Avalanche Funding	($155,033)
Karen Prior (1st lien on Paymaster)	($37,000)
JBR Environmental (2nd lien on Paymaster)	($66,944)
Ted Loud (1st lien on Eureka)	($15,000)
Property taxes, Juab County	($ 9,382)
Property taxes, Utah County	($24,868)
Less costs related to sale	
Realtor's commission (6% of sale price)	($25,956)
Closing costs	($2,400)
Less Federal capital gains taxes[2]	($0)
Less State of Colorado capital gains taxes	($0)
Real estate proceeds:	($ 48,183)

<u>Personal Property</u>:

Cash[3]	$6,017

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[1] Value based upon at least a 60% decrease in market price ($721,000 x 40% = $288,400) due to: (1) reduced prices resulting form a liquidation sale; (2) the remote location of the property; (3) the fact that the property is covered by snow for more than half of the year which prevents the property from being shown to prospective buyers during that time; and (4) the discount associated with a liquidation sale of a "bulk" sale of the property as opposed to tailored parcels which would attract higher prices.

[2] Based on $815,000 tax basis:

$	288,400	
	(25,956)	commission
	(2,400)	closing costs
	<u>(815,000)</u>	<u>tax basis</u>
$	(554.956)	taxable gain

[3] Based upon December, 2001 monthly report.

96.5% interest in Xeres[4]	$0
Office Equipment	$ 1,000
Investment in Riverdale accounts receivable[5]	$0
Note receivable[6]	$0
Promissory note receivable[7]	$0
Note receivable: Gene Webb	$2,500
Unliquidated/contingent claims	$ unknown
Total personal property:	$9,517
Total real estate and personal property proceeds	**($38,666)**
Less Chapter 11 administrative expenses:	
KMK legal fees	$ 50,000
Wheeler Wassoff bookkeeping fees	$ 15,000
Hein & Associates accounting fees	$ 18,000
Patten Boggs, LLC special counsel fees	$ 5,000
U.S. Trustee	$ 1,000
Total Chapter 11 administrative expenses	$ 89,000
Net proceeds after Chapter 11 expenses	($127,666)[8]
Distribution to unsecured creditors:	0%

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[4] Should Xeres convert to a liquidation, there will be no distribution to general unsecured creditors, nor will there be any equity for shareholders.

[5] This receivable is questionable as to collection. North Lily is contemplating filing claims against Riverdale for failure to assign receivables to North Lily.

[6] North Lily scheduled a note receivable in the amount of $14,300 which has been paid in full in October, 2001.

[7] North Lily scheduled notes receivable from Captains Management, Inc., Dave Lott, and Richard Pearlman in unknown amounts. Collection on this note is questionable and may require pursuing these claims in Court.

[8] There will be no assets to pay any unsecured creditors.

EXHIBIT E
Liquidation Analysis
Xeres

ASSETS

Real Estate:	
Value at 60 day liquidation sale[1]	$600,960
Less secured claims	
The Standard Group/Avalanche	$ 0[2]
Old West (1st liens on Southern 640 and Elberta)	($553,000)
US Bank (2nd liens on Southern 640 and Elberta)	($105,000)
Property taxes, Juab County	($ 1,100)
Property taxes, Utah County	($ 1,400)
Proceeds after pay off of secured claims	($ 67,690)
Less costs related to sale	
Realtor's commission (6% of sale price)	($0)
Closing costs	($0)
Less Federal capital gains taxes[3]	($0)
Less State of Colorado capital gains taxes	($0)
Real estate proceeds:	$0[4]
Personal Property:	$0
Total real estate and personal property proceeds	**$0**
Total Liquidation Value	**$0**
Distribution to unsecured creditors:	0%

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[1] Value based upon at least 40% decrease in market price ($1,001,600 x 60% = $600,960) due to: (1) reduced prices resulting form a liquidation sale; (2) the remote location of the property; (3) the fact that the property is covered by snow for more than half of the year which prevents the property from being shown to prospective buyers during that time; and (4) the discount associated with a liquidation sale of a "bulk" sale of the property as opposed to tailored parcels which would attract higher prices.

[2] It is assumed that this secured claim will paid out by the North Lily property.

[3] Based on $843,000 tax basis:

$	600,960	
	(36,058)	commission
	(2,400)	closing costs
	(843,000)	tax basis
$	(280,498)	taxable gain

[4] There is insufficient equity in the Xeres property to pay all the secured claims based on the liquidating sale price.